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# **Daily Report**

# **China**

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# Daily Report

## China

FBIS-CHI-90-148

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1 August 1990

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### **Qian Qichen Holds News Conference 31 Jul**

#### **Comments on Regional Cooperation**

*OW3107122990 Beijing XINHUA in English  
1211 GMT 31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—Without China's participation, the Asia Pacific Economic Cooperation (APEC) will not be a complete one, said the Chinese foreign minister here today.

Answering a correspondent's question at a press conference held at the Beijing airport, Foreign Minister Qian Qichen said China as a sovereign state is ready to join APEC.

As for Taiwan and Hong Kong, Qian said, their participation in a regional cooperative organization is different from that of a sovereign state. "There are should be different method," he said.

The press conference was held right after the foreign minister's arrival at the airport after his visits to four Asian and African countries including Saudi Arabia.

#### **Comments on Ties With Singapore**

*OW3107134990 Beijing XINHUA Domestic Service  
in Chinese 1319 GMT 31 Jul 90*

[Text] Beijing, 31 Jul (XINHUA)—At a news conference this evening, Foreign Minister Qian Qichen said that the question of establishing diplomatic relations between China and Singapore is under discussion.

He said: The Singapore side has repeatedly stated that Singapore will establish diplomatic relations with China after China and Indonesia normalize their diplomatic relations. This question is now under discussion.

Foreign Minister Qian made these remarks when answering a reporter's question at the airport on his return to Beijing from visits to four Asian and African countries.

#### **Cited on U.S. Cambodia Policy**

*OW3107144790 Beijing XINHUA in English  
1429 GMT 31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—The United States' adjustment on its policy toward the Cambodian question will probably increase difficulties for a solution to the question, said Chinese Foreign Minister Qian Qichen here today.

He said China felt surprised at the U.S. policy adjustment at such a moment.

Answering correspondents' questions at a press conference at the Beijing airport, Qian said the U.S. policy adjustment is due to its needs of its domestic politics.

He said Cambodia's seat in the United Nations is represented by the Democratic Cambodia Coalition Government, which has been supported by more than 100 countries for more than 10 years.

He said some countries may withdraw their support to the Democratic Cambodia Coalition Government, but the Association of Southeast Asian Nations have different views on this question.

### **State Council Spokesman Yuan Mu Interviewed**

#### **Views Singapore Ties**

*OW3107171490 Beijing XINHUA in English  
1450 GMT 31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—Yuan Mu, spokesman for China's State Council, said here July 28 that both China and Singapore are making active preparations for the establishment of diplomatic ties between them.

He made the remark when he was interviewed by Kazuhiko Misumori, Beijing bureau chief of the "JAPAN ECONOMIC JOURNAL".

Asked whether Chinese Premier Li Peng will visit other Asian countries when he makes a trip to Indonesia and whether China and Singapore will establish diplomatic ties soon, Yuan said that he had not learned that Premier Li Peng would visit any other Asian countries.

However, he added, he could not rule out the possibility of his going to visit another Asian country.

He said Singapore's Prime Minister Lee Kuan Yew recently told the press that he hoped Singapore would establish diplomatic ties with China in the next two to three months. "We welcome that message very much," Yuan noted.

He said that Singapore is one of China's friendly neighbors. Though there are no diplomatic relations at present, friendly exchanges and economic and trade relations between the two countries are growing.

When the two countries establish diplomatic ties shortly, as expected their friendly relations will further develop in a way which is beneficial to peace and stability in Southeast Asia and the rest of Asia as well.

#### **Discusses South Korean Ties**

*OW3107172390 Beijing XINHUA in English  
1452 GMT 31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—Yuan Mu, spokesman for the State Council, said here last Saturday that it is China's firm stand that peace and stability should be promoted on the Korean peninsula when it takes into account the relations between the two halves of the divided peninsula.

Meeting with Kazuhiko Misumori, Beijing bureau chief of the "JAPAN ECONOMIC JOURNAL", Yuan said

that China also adheres to its stand of promoting Korea's peaceful reunification through mutual consultations between the two halves of the peninsula.

Asked if South Korean President No Tae-u will be invited to Beijing for the opening ceremony of the 11th Asian Games in September, Yuan Mu said that he had not heard of such a plan.

He said that there are people-to-people relations, including some economic and trade contacts, between China and South Korea.

He stressed, however, that there are no formal official relations between the two sides.

Asked whether China and South Korea will have official contact, Yuan Mu said that, in his opinion, along with the growth of economic and trade relations between China and South Korea, non-governmental commercial agencies might be set up on each side.

### Discusses Japanese Ties

*OW3107173390 Beijing XINHUA in English  
1514 GMT 31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—Yuan Mu, spokesman for the State Council, said here July 28 that China will definitely send high-ranking officials to Japan for the coronation of Japan's Emperor Akihito.

He made the remark in reply to a question from Kazuhiko Mitsumori, Beijing bureau chief of the "JAPAN ECONOMIC JOURNAL".

However he said, there has as yet been no final decision on who will go to Japan for the ceremony.

He said China and Japan are friendly neighbors, and since the resumption of diplomatic ties between the two countries, the development of bilateral relations is proceeding very well in spite of the fact that there was an unpleasant period in recent history.

Following the "June 4th" event last year there were some difficulties in Sino-Japanese relations which China would not like to see, he said.

However, he noted, the difficulties are gradually passing by and the prospects for the development of bilateral relations are good.

### Calls Economic Sanctions 'Unjustifiable'

*OW3107173890 Beijing XINHUA in English  
1522 GMT 31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—A spokesman for China's State Council said last Saturday that some Western nations' economic sanctions against China following the "June 4" event last year are in essence political sanctions.

"Such sanctions are utterly unjustifiable and China is resolutely opposed to such actions," Yuan Mu said in an

interview with Kazuhiko Mitsumori, Beijing bureau chief of the "JAPAN ECONOMIC JOURNAL".

Yuan said that though the economic sanctions have brought China some temporary difficulties, the country can overcome them totally with its own strength. "The sanctions won't seriously affect China's economic development," he added.

"While the sanctions have presented certain difficulties for China they have also adversely affected those who imposed them," Yuan said.

He said that, judging from the outcome of the recent summit of the "Group of Seven", the so-called sanctions have been somewhat relaxed, but those countries have not yet taken any major step in this regard.

"We hope that they will take bigger steps," he said. "And we have particularly noted that the Japanese Government has adopted a positive stand on this issue. We express our appreciation for this."

He said he hoped that the Japanese Government would take concrete actions as soon as possible to implement the accord related to its third batch of loans to China.

### U.S. Position on Cambodian Issue Criticized

*HK3107093490 Hong Kong ZHONGCUO TONGXUN SHE in Chinese 0836 GMT 28 Jul 90*

[Xu Dunxin, PRC Assistant Foreign Minister, Said in Bangkok That U.S. Suspension of Its Recognition of Democratic Kampuchea Would Bring Difficulties to the Settlement of the Cambodian Issue"]

[Text] Bangkok, 28 Jul (ZHONGGUO TONGXUN SHE)—Yesterday evening, Chinese Assistant Foreign Minister Xu Dunxin pointed out here that the United States suddenly changed its policy toward Cambodia, and this would unfavorably influence the political settlement of the Cambodia issue. He also said that China agreed with the statement of the ASEAN foreign minister meeting. That is, before the comprehensive settlement of the Cambodian situation, the Cambodian seat in the United Nations should not be left vacant, and various factions in Cambodia should be prompted to reach agreement on the establishment of the rational supreme committee, which can thus take over the Cambodian seat in the United Nations.

Xu Dunxin led a delegation to attend the five-nation meeting in Paris in mid July, and he arrived in Thailand last Wednesday for a four-day visit. He made the above statement when meeting with the press yesterday evening.

Xu Dunxin indicated that China did not understand why the United States, as one of the five permanent members of the UN Security Council, unanimously announced the change in its policy toward the representativeness of the tripartite coalition government of Democratic Kampuchea in the United Nations after the Paris meeting, and China did not agree with the United States' action.

Xu Dunxin reiterated that China would continue to carry out close cooperation with ASEAN and Thailand in order to seek the fair and comprehensive political solution for the Cambodian issue.

During his visit to Thailand, Xu Dunxin successively met with Chawalit, former deputy prime minister of defense minister, Suzhenla [4790 4176 2139], commander in chief of the Army, and Linbapan [2651 1572 2372].

The spokesman for the Thai Foreign Ministry said that Xu Dunxin told the Thai side at their meeting, that the five permanent members of the UN Security Council, namely, the United States, the Soviet Union, China, Britain, and France hoped to establish an international supervisory organ to check the foreign troops stationed in Cambodia in order to effectively prevent the return of the Vietnamese forces. As for the membership of the Supreme National Committee of Cambodia, the meeting held that the committee members need not be political leaders of various factions, and all people respected by the Cambodian people can become members of the Supreme National Committee.

#### Agreements, Differences of G-7 Summit Viewed

HK2807084290 Beijing JIEFANGJUN BAO in Chinese  
15 Jul 90 p 4

[Article by Wei Wei (7279 0251): "There Are Both Consensus and Differences—A Discussion on G-7 Summit"]

[Text] The three-day long 16th G-7 Summit opened in Houston, Texas in the southern United States on 11 July.

At the summit, the heads of state of the United States, Japan, West Germany, France, Britain, Italy, and Canada held discussions on trade relations between the seven nations, world trade situation, debts of developing countries, economic aid to the Soviet Union, subsidies for farm produce, world environment protection, measures against drugs, and the world's political situation and the documents including "Economic Declaration" and "Political Declaration." As the summit is held at the time when great changes have taken place in Eastern Europe, the two Germanys have accelerated the pace of unification, and tremendous changes have taken place in the world situation, it has attracted extensive attention of the international community.

Viewed from the resolutions discussed and adopted by the summit, the head of state of the seven nations each made compromises on the major topics for discussion and reached consensus on the world's economic situation, the situation in central and East Europe, debts and foreign aid of the Third World, and antiterrorism issues. However, there were also a number of differences. The differences were particularly focused on aid to the Soviet Union and subsidies for farm produce.

Aid to the Soviet Union is a new topic of the current summit. According to a U.S. official, Soviet President Gorbachev wrote a letter to the G-7 on 4 July, requesting

economic and technological aid and credit. Because of their own interests, however, there are vast differences between the seven nations on the issue. West Germany and France proposed offering direct economic aid of \$15 billion to the Soviet Union, but the United States and Britain declined. The United States was only willing to offer "technical" aid to the Soviet Union in order to switch its planned economy to a market economy. U.S. White House spokesman Fitzwalter explained that the reason the United States was unwilling to offer direct economic aid to the Soviet Union is that the Soviet Union must continue its market-oriented reform, its military spending has been enormous, and it has offered a great deal of aid to Cuba. Japan also insisted that "no financial aid should be given to the Soviet Union as it is still a military power in the Asia-Pacific region which continues to occupy Japan's four northern islands." The summit finally agreed to offer only technical aid to the Soviet Union at the present stage and to send an observation group composed of international financial organs to conduct investigation in the Soviet Union and submit the findings by the end of the year. Economic aid will then be considered in light of the actual circumstances. Regarding this, the editorial of a Western agency said that on the issue of aid to the Soviet Union, the "Political Declaration" used "ambiguous terms to cover the differences of the seven nations."

The "Uruguayan Round" of bilateral trade talks which lasted three years or so is expected to end by the end of this year. Because of a difference in views between the United States and Europe on agricultural subsidies, however, the progress of the entire trade talks is seriously hindered.

The "Political Declaration" issued by the summit once again indicates that in international affairs in the years ahead, the seven nations, in light of their own values, will continue to make captious comments and even interfere in the internal affairs of other countries and attempt to impose Western political and economic patterns on other countries.

As everyone knows, at the 15th G-7 summit held in Paris last year, some people ignored China's reality and unreasonably imposed "sanctions" against China. However, facts over the year have proved that sanctions against China were of no avail. In the increasingly interdependent world economy of today, economic sanctions are like a "knife with blades on both sides" which hurt both sides. Those who impose sanctions against others will also bring harm to themselves. For this reason, some international personages with breadth of vision were against the mistaken practice of imposing sanctions against China. The current summit on the question of imposing sanctions against China relaxed somewhat. At the same time, the summit retained the relevant measures adopted by last year's summit and took only minor steps. It has been reported that at the current summit, Japanese Prime Minister Kaifu expounded the Japanese Government's position on gradually resuming a third yen loan to China. He said, "We should make a correct appraisal of China's efforts made in reform and opening

up." Since China has continued to devote efforts to reform, he said, "if the West insists on excluding or isolating China, it will be disadvantageous to peace and stability of Asia and the world over." Naturally, this is a rather positive attitude and a wise move.

On the whole, the declaration issued by the current summit is the result of compromise reached between the seven nations. This proves from one aspect that with the changes in growth and decline of economic strength, the influence of the United States on international issues is decreasing and that of Japan and West European countries is increasing. As pointed out by world public opinion, "the summit could never reach compromise and consensus in solving problems," however, those attending this year's summit "allowed every leader to go his own way on the most disputed issues." Even in this year's "Political Declaration," we cannot see the words "unity of the West" often used in the past. This indicates "the confusion in the steps taken by the West."

#### **PRC Role in Pacific Economic Cooperation Viewed**

*OW2907064990 Beijing XINHUA Domestic Service  
in Chinese 0931 GMT 28 Jul 90*

[("Highlights" of article by Wang Shuzhuan (3769 2992 2332) "On Some Issues Concerning Economic Cooperation in the Pacific Region," to be published in the 31st issue of LIAOWANG Weekly on 30 July)]

[Text] Beijing, 28 July (XINHUA)—Economic cooperation in the Pacific region has a good foundation and broad prospects. The economies of the nations and areas in the Pacific region have developed rapidly in recent years, outstripping other regions of the world by a wide margin. However, one also must note that the region has its own characteristics and diversity that are creating many problems and difficulties for regional economic cooperation.

First, the great difference among the nations and areas in the Pacific region. The gap in the level of economic development among them is much wider than in other regions. There are old and new economic powers, developed and newly industrialized nations and areas, and developing nations at different stages of development. There are many differences as regards the historical evolution, geographical environment, cultural tradition, material resources, national religion, and population size of each country. The political systems and economic structures also vary widely. Every country has the desire to strengthen regional cooperation, but there are the issues of competition and contradiction between them, which occasionally become so intense that their resolution is quite a problem.

Second, because of historical reasons, economic relations in the Pacific region are marked by two distinctive features. First, the very high degree of dependence of every nation and area on the U.S. market, and second, the fact that trade between United States and Japan makes up roughly half the total trade of the whole Pacific region. Trade friction between the United States and

Japan is becoming increasingly acute, at the same time that their reliance upon one another is becoming greater. Because of the abovementioned situation, the implementation of the U.S. economic and trade policies and the intensification of its protectionist measures will have a great impact on economic cooperation in the Pacific region. Many countries and areas now feel it increasingly urgent to change the present economic structure of the Pacific region, and to expand regional cooperation to a greater degree. However, this will not be realized easily, and a great deal of time and effort will be needed.

Third, economic cooperation in the Pacific Region continues to grow, but competition among the nations and areas of the region is becoming more acute. Some economic powers have drawn up their own plans. The United States hopes to broaden its agreement on free trade with Canada, and to build a free trade zone with itself having the dominant role. Japan is stepping up trade, investment, and cooperation with the "four little dragons" and ASEAN in other fields, with the hope of forming an "East Asia Economic Ring" with itself at the head and the "four little dragons" and ASEAN as flanks. Of course, it will not be easy for the United States and Japan to succeed with their plans. Each country and area have their own historical experiences, and each worries about being treated as pawns by others and thus having their own interests harmed. Some countries and areas also are stepping up cooperation to consolidate their economic position. The members of ASEAN have insisted all along on increasing cooperation among themselves in order to retain their independence.

In view of the characteristics and complexities in the Pacific region, all nations, big or small, strong or weak, poor or rich should be accorded equal treatment in the framework of regional economic cooperation. There should be mutual respect and mutual concern for each others' interests and a common objective of seeking mutual economic development. Every country has its advantages and shortcomings as well as needs. Developing nations undoubtedly need the capital and expertise of developed nations while developed nations need the markets, investment sites, raw materials, and labor of developing countries. This kind of cooperation always has been mutually beneficial and is not a one-sided affair or a bestowal of favors. All countries should arrive at a consensus and act in unison on matters of common interest according to the principle of seeking common ground while retaining their differences. It is inadvisable to force a hasty consensus, or to bully others on account of their strength. Moreover, cooperation should be varied, broad in dimension, flexible in methods, bilateral as well as multilateral, on a large as well as small scale, and in every field. They should be carried out on the basis of one's own free will, according to the realities of each country, and without trying to force a consensus. This will enable cooperation to be conducted in different directions and ways. Economic cooperation in the Pacific region can continue to make headway and bring progress and prosperity to everyone only through this

manner. China always has maintained a positive attitude toward economic cooperation in the Pacific region, and will do all it can to promote a smooth expansion in this direction. Furthermore, it must be noted that this kind of cooperation will be incomplete without the participation of China.

**Chen Xitong Meets Asian Games Security Officers**

*OW3007134490 Beijing XINHUA in English  
0658 GMT 30 Jul 90*

[Text] Beijing, July 30 (XINHUA)—A three-day co-ordination meeting concluded here on Sunday for the security officers of the 11th Asian Games participating delegations, it was learned from the Beijing Asian Games Organizing Committee (BAGOC) here on Monday.

Leading officials of the security department of the BAGOC introduced the general situation and security arrangement for the 16-day games and hoped for further cooperation in the field.

The attendants exchanged information on the games' security and discussed means of joint efforts for a successful games.

Chen Xitong, president of the BAGOC, state councilor and mayor of the city of Beijing, met with the attendants of the meeting.

**Shanghai Increases Thailand-Japan Container Runs**

*OW3007220890 Beijing XINHUA in English  
1437 GMT 30 Jul 90*

[Text] Shanghai, July 30 (XINHUA)—The Shanghai branch of the China Ocean Shipping Company started to increase its number of runs of Thailand-Japan container ships from the original twice per month to three times per month today.

Three 25,550 dwt ships will operate on the route.

So far, the company has opened four shipping lines outside the country, with a total of 12 runs per month. It is expected that the company would be able to transport eight million tons of freight outside the country this year.

**Northeast Asia**

**Defense Minister Qin Jiwei Meets DPRK Visitors**

*OW2907180490 Beijing XINHUA in English  
1200 GMT 29 Jul 90*

[Text] Beijing, July 29 (XINHUA)—General Qin Jiwei, state councillor and minister of national defense, met a Korean People's Army delegation at the Diaoyutai Guesthouse here this evening.

The delegation led by Senior General Chon Mun-sop, vice-minister of the People's Armed Forces of the Democratic People's Republic of Korea, arrived here on July

28 for a good-will visit at the invitation of the Chinese Ministry of National Defense.

Yesterday evening, Deputy Chief of the General Staff of the People's Liberation Army, General Xu Xin, hosted a dinner in honor of the Korean guests at the Great Hall of the People.

**CPPCC Vice Chairman Meets Japanese Scholars**

*OW2807113190 Beijing XINHUA in English  
0935 GMT 28 Jul 90*

[Text] Beijing, July 28 (XINHUA)—Gu Mu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference [CPPCC], met the fifth delegation of Japanese scholars of international political economy here this afternoon.

The visitors led by Professor Shuichi Miyoshi are here as guests of the Association for International Understanding of China.

**Third Sino-Japanese Offshore Oil Field Started**

*OW3107204890 Beijing XINHUA in English  
1519 GMT 31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—One more offshore oil field in Bohai Sea, jointly developed by China and Japan, has been put into production recently.

The BZ 34-2/4 E oil field is the third Sino-Japanese joint venture in Bohai Sea since 1980 when China's Bohai Oil Corporation and Japan-China Oil Development Corporation began to cooperate in developing offshore oil in this sea water area.

Haruki Shimada, president of the Japan-China Oil Development Corporation, said: "The BZ 34-2/4 E oil field could be regarded as a landmark in Japanese-Chinese cooperation which symbolizes success of the cooperation."

The BZ 34-2/4 E oil field, located 180 kilometers west to Tanggu Port in Tianjin, covers an area of 13 square kilometers and is supposed to produce 400,000 tons of oil in its each peak year.

During the ten years of cooperation, the Bohai Oil Corp. and the Japan-China Oil Development Corp. sank 38 test wells in Bohai Sea and found 11 structures containing oil and gas, and two oil fields, Hengbei and BZ 28-1 oil fields, have been put into production. Now the three Sino-Japanese joint ventures can produce a million tons of oil each year.

But according to Zhong Yiming, president of China Offshore Oil Corporation, the three oil fields will produce more oil than the designed output. He believed that China and Japan will make greater achievements in their cooperation.

Optimistic about the future of oil exploration in Bohai Sea, Cao Wenxian, deputy chief geologist of the Bohai

**Oil Corp.**, said: "Altogether we have found 39 structures containing oil and gas in the 73,000-square-meter Bohai Sea water area and proved large reserves of oil and gas since the Bohai Oil Corp. was founded in 1965."

Besides the three Sino-Japanese joint ventures and one self-held oil field in the Bohai Sea, Jinzhou 20-2 and Suizhong 36-1 oil fields are under construction.

Accordig to Cao, Suizhong 36-1 oil field will be the biggest one of its kind in Bohai Sea with reserves proved to be more than 100 million tons of oil.

The Bohai Oil Corp. can expect an annual output of 2 million tons of oil after all the oil fields are put into production.

Referring to the success of Sino-Japanese cooperation, Cao Dean, president of the Bohai Oil Corp., said that foreign cooperation had promoted the development of China's offshore oil industry.

### Southeast Asia & Pacific

#### Minister Sees Trade Benefits in Indonesia Ties

*OW0108113890 Beijing XINHUA in English  
1019 GMT 1 Aug 90*

[Text] Beijing, August 1 (XINHUA)—The resumption of Sino-Indonesian diplomatic ties will certainly promote the economic and trade co-operation between the two countries, an official of the Chinese Ministry of Foreign Economic Relations and Trade said here today.

In an interview with XINHUA, he said the normalization of diplomatic relations betwden China and Indonesia will also benefit the economic development of the two countries.

Since the signing of the "direct trade memorandum" between the China Council for the Promotion of International Trade and the Indonesian Chamber of Commerce and Industry in 1985, the economic and trade relations between the two countries have made remarkable progress and the volume of trade has increased greatly.

In 1985, the bilateral trade volume of the two countries was 431 million U.S. dollars-worth.

In 1988 the volume reached 918 million U.S. dollars-worth, a rise of 213 percent. Of this, China's imports came to 682 million U.S dollars-worth and exports, 236 million U.S. dollars-worth.

The trade volume between China and Indonesia decreased slightly in 1989. But it was still at the level of 800 million U.S. dollars-worth.

The foreign trade official pointed out that the trade between the two countries has gained momentum this year. The trade volume from January to June reached 547 million U.S. dollars-worth—China importing 383

million U.S. dollars-worth and exporting 164 million U.S. dollars-worth of goods.

He said that Indonesia has become one of China's most important trading partners in Asia.

In the past few years Indonesia has exported to China primarily plywood, petroleum, rubber, timber, paper pulp and chemical fertilizer; Chinese exports to Indonesia have mainly been soybeans, cotton, fodder, coal, chemical raw materials and machinery.

China and Indonesia are among the most populous developing countries in Asia, and both have abundant natural resources and vast markets, the official noted.

The two countries, which share time-honored traditional ties, are both following a policy of opening to the outside world and striving to develop their national economies, he said. "This undoubtedly serves as an important basis for their future economic and trade co-operation."

The official expressed the belief that the restoration of diplomatic relations will surely lead the two countries to a new phase of economic and trade co-operation.

#### Cultural Delegation Ends Philippines Visit

*OW3107141290 Beijing XINHUA in English  
1227 GMT 31 Jul 90*

[Text] Manila, July 31 (XINHUA)—The three-member Chinese Government cultural delegation today left here for home by air after a week-long friendship visit to the Philippines.

During its stay here, the delegation led by You Qi, director of the Bureau for External Cultural Relations under the Ministry of Culture, signed with the Philippine Government an executive program for Sino-Filipino cultural exchanges for 1990 and 1991.

The executive program covers exchanges of visits of cultural administrators and researchers, performing and visual artists, academicians and scholars, writers and journalists, athletes and sports officials. Exchanges of books and arts exhibitions are also an important feature of the program.

The Chinese delegation had meetings with Philippine Government officials and prominent figures in cultural and other circles of the country, and visited some cultural facilities here.

Philippine Foreign Affairs Acting Secretary Manuel Yan had a cordial and friendly conversation with delegation leader You Qi.

The federation of Filipino-Chinese organizations hosted a grand banquet to welcome the delegation on Sunday, July 29.

Last night, cultural councillor Sun Zongqiang of the Chinese Embassy here gave a reception on the occasion of the visit of the cultural delegation.

Among the over 100 guests present was Isidro D. Carino, secretary of education, culture and sports, who took time out from a busy schedule of inspecting school buildings damaged by the recent strong earthquake that rocked the northern Philippines.

Secretary Carino expressed the hope that the cultural exchanges between the two countries in compliance with the executive program would continue and develop.

The Chinese ballet delegation led by Li Chengxiang, head and artistic director of the Central Ballet of China, left here for home by the same plane today after giving joint ballet performances here with the Philippine Ballet Theater.

## Near East & South Asia

### Yang Shangkun on Middle East Peace Conference

OW0108093890 Beijing XINHUA Domestic Service  
in Chinese 0822 GMT 1 Aug 90

[Text] Kuwait, 31 Jul (XINHUA)—The Kuwaiti weekly "AWAKENING" reported today that during an interview with its reporter, Chinese President Yang Shangkun pointed out that the Palestinian issue is the nucleus of the Middle East problem. He reiterated that China supports the just cause of the Palestinian people and supports the efforts made by the Palestine Liberation Organization and Arab countries for a settlement of the Arab-Israeli conflict through peaceful means.

President Yang said that he agreed with the convocation of an international conference on Middle East peace, with the participation of the permanent members of the Security Council and by the Middle East parties concerned under the sponsorship of the United Nations, in order to seek a fair and all-around settlement of the Middle East problem.

He said that China opposes Israel's settlement of Soviet Jewish immigrants on occupied Arab territories. He called on the world community to adopt earnest and effective measures to prevent the Israeli authorities from changing the conditions in their occupied lands through the settlement of Jewish immigrants.

While welcoming the relaxation of tension between East and West, President Yang stressed that China opposes the new hegemony and power politics of the big powers and their attempts to manipulate international Affairs.

He pointed out that those people who have taken advantage of the drastic changes in international relations to redivide spheres of influence are bound to fail because what they are doing runs counter to the historical trend.

President Yang reviewed China's friendly relations and cooperation with members of the Gulf Cooperative Council. He believed that there are bright prospects of friendly relations and cooperation between China and the Gulf countries.

Since the early 1970's, China has established diplomatic relations with Kuwait, Oman, the United Arab Emirates, Qatar, and Bahrain. Last week China established diplomatic relations with Saudi Arabia. Thus, China has established diplomatic relations with all members of the Gulf Cooperative Council.

### Reporter Questions Cairo Conference Delegate

OW0108012390 Beijing XINHUA in English  
0029 GMT 1 Aug 90

[By Li Zhurun]

[Text] Cairo, July 31 (XINHUA)—Diplomacy for peace and inter-Islamic solidarity highlighted the opening in Cairo today of the 19th Foreign Ministers' Meeting of the Organization of Islamic Conference (OIC).

After making an inauguration speech to the opening session this morning, Egyptian President Husni Mubarak met with Lebanese Prime Minister and Foreign Minister Salim Huss on the latest developments in that war-shattered country.

Emerging from the meeting, Huss, who heads the Lebanese delegation, said that Mubarak expressed readiness to help the current legitimacy under President Ilyas al-Hirawi spread its authority all over Lebanon.

According to a Lebanese source in Cairo, Huss may take advantage of the meeting to seek support from fellow Islamic countries for his government's struggle to implement the Taif Accord of national reconciliation.

"Huss may have a series of bilateral meetings on the fringe of the meeting, and also meetings with the heads of the Saudi Arabian, Moroccan and Algerian delegations," said the source, who asked not to be named.

Morocco, Saudi Arabia, and Algeria were charged by the Casablanca Arab Summit in May last year with the task of finding ways to end the Lebanese civil war. Their collective mediation culminated in the adoption by Lebanese parliamentarians of the Taif Accord last October.

In another development, Hojatoleslam Mohammad Ali Taskhiri, [name as received] Iran's chief delegate, announced that his country was willing to release all Egyptians captured during the eight-year Gulf War.

Meanwhile, Egyptian Foreign Minister Ismat 'Abd-al-Majid expressed the hope to meet with Taskhiri to discuss the matter.

This was seen as indicating progress toward normalization of relations between Iran and Egypt. Iran severed its diplomatic relations with Egypt after the latter signed a peace treaty with Israel in 1979.

Answering a question by XINHUA, Taskhiri, speaking in fluent Arabic, said that Iran's relations with Saudi Arabia could also improve once the pilgrimage issue was solved.

There is no sign to indicate that Saudi Arabia is ready now to lift, in compliance with an Iranian demand, an OIC-approved quota system to limit the number of foreign pilgrims allowed to perform the Hajj rites in Saudi Arabia each year.

Nevertheless, Taskhiri's remarks seemed reconciliatory despite Iran's earlier attacks on Saudi Arabia following the July 2 tunnel disaster in which more than 1,400 pilgrims were killed.

He declined to say whether he would meet with delegates of Iraq, Iran's war-time enemy. "Meetings of experts from both countries have never stopped," he said.

Iran's differences with Iraq, he said, are on the way toward a settlement. The development of relations between the two countries "is good and vital" especially after the presidents of the two countries exchanged messages and the meeting between their foreign ministers. He hoped that "the peace process can reach a level of friendly relations and goodneighborliness."

Closed-door sessions began after the opening ceremony at which 'Abd-al-Majid was elected OIC chairman to replace Saudi Foreign Minister Prince al-Sa'ud al-Faysal.

Speaking after his election, 'Abd-al-Majid underlined the importance of solidarity of the Islamic states.

"Peace, cohesion, and development should be realized and no effort should be dissipated against the interests of the Islamic nation," he said.

## West Europe

### France's Barre on Sanctions Against PRC

*OW2807064090 Beijing XINHUA in English  
0631 GMT 28 Jul 90*

[Text] Paris, July 27 (XINHUA)—China's economic reforms, initiated by Deng Xiaoping, have achieved remarkable success while its reforms and openness cannot be reversed, former French Prime Minister Raymond Barre said here today.

Speaking to resident Chinese correspondents after a recent visit to China, Barre, who is also a well-known economist, said, "I have absolutely not seen the unbearable poverty in China, which can be seen in other developing countries with the population increasing at a very fast rate."

Barre, who had once visited China as prime minister in 1978, met with some Chinese leaders in Beijing. He praised Chinese leader Deng Xiaoping as "one of the most outstanding international figures."

He deemed that China would absolutely not abandon the policy of reform and openness, adding that the country pays much attention to maintaining the stability and unity of the nation to avoid social turmoil.

Speaking of the relations between France and China, Barre said that General de Gaulle's decision to recognize the Republic in 1964 was significant, and "now France should continue to value developing friendly relations with China, the biggest nation in Asia."

"The adoption of sanction measures to isolate China and refuse to provide aid is not sensible," Barre stressed.

### Article Criticizes Anti-Dumping Policy of EC

*HK3107113590 Beijing GUOJI SHANGBAO in Chinese  
5 Jul 90 p 3*

[Article by Yao Sufeng (1202 5685 3536): "Commenting on the European Community's 'Anti-Dumping' Measures"]

[Text] The European Community has erected hundreds of non-tariff trade barriers, but it often tries to defend itself by accusing foreign countries of "dumping" low-priced products on the EC market, causing harm to related industries or posing a threat to them. Therefore, it levies "anti-dumping" taxes on foreign commodities to force them out of the EC market or to lose their competitiveness. Because it is easy to enact registration, this has been developed further into other means of import restriction, such as promises of minimum pricing and quotas. In addition, when adopting "anti-dumping" measures to restrict imports, the EC always puts up the pretence of "fair competition" and denies the essence of trade protectionism.

Of the Western developed countries, the EC was the first to commence "anti-dumping" registration and investigation against Chinese commodities. As early as September 1979, when China was just implementing the policy of opening up to the outside world and was in the initial stage of developing its export trade, it was accused of "dumping" alarm clocks on the EC at low prices. With the rapid growth of our export volume and fiercer international commercial competition, there has been an increasing number of cases in which the EC accuses our country of "dumping" export commodities at low prices. As of April 1990, the EC has registered and investigated 30 of our commodities over 30 times, six of which were investigated twice, involving an amount of over US\$200 million in our export commodities; accounting for about five percent of our export volume to the EC.

According to the EC's anti-dumping rules and regulations, the collection of anti-dumping taxes against an imported commodity should satisfy two basic conditions. First, an enterprise of a non-EC member country dumps commodities on the EC market at prices lower than their normal value. Second, the dumping of commodities at low prices incurs losses or constitutes threats of losses to similar industries in the EC. But, there is a lack of necessary transparency when the EC Committee confirms the existence and amplitude of dumping, and foreign enterprises naturally take a sceptical attitude toward the EC's method of calculation and investigation data. Moreover, the EC Committee has a high degree of discretion in exercising the power of adjudication on giving a ruling as to whether or

not low-priced dumping has incurred losses to the relevant EC industries. One Western legal expert has expressed his view on the EC's method of handling anti-dumping cases: It is not so much that there exists the fact of dumping, as that the EC does not like to face price competition from foreign products.

As far as China is concerned, the EC is all the more unreasonable in adjudicating anti-dumping cases against Chinese commodities. In accordance with the EC's current 2423/88 rules and regulations, China belongs to the countries that do not practise market economy. In calculating the normal value of a complained about Chinese commodity, the EC can only resort to the normal value of a similar product from a third country practising market economy to evaluate the existence and amplitude of dumping with respect to the Chinese commodity. The EC refuses to adopt Chinese production costs as the normal value of the commodity. Its main reason is: Product prices are distorted in countries practicing planned economy and therefore cannot truly reflect actual production costs. Yet, it is very unreasonable to use another country as a substitute, which is mainly reflected in terms of unpredictability, discretion, and unfairness. First, in exporting, the enterprises of our countries do not know in advance which country will be selected as a substitute for an anti-dumping case and therefore find it difficult to evade future accusations of dumping at low prices. Second, when selecting a substitute country, the EC is exposed to a high degree of discretion and probability. Some countries' production costs are similar to ours, but these countries may refuse to let the EC go there to conduct investigation on normal values. Some countries, which are our main competitors or developed countries, on the contrary, may agree to supply the necessary relevant information to the EC. As a result, the existence and the amplitude of dumping are often determined by a substitute country selected at random or by chance. Third, the method of selecting a substitute country makes it impossible for China to procure approval for its most competitive commodities. China's abundant resources, low labor costs, or improvement in production efficiency cannot be used to prove that China basically has not been exporting to foreign countries at prices lower than production costs. This is obviously not fair to China.

The EC's anti-dumping measures have undermined China's investment environment and infringed upon the economic interests of investors in China. At present, the majority of the commodities for which our country is accused of low-priced dumping by the EC, such as mini-screen color televisions, VHS videotapes, and disposable lighters, are produced and exported by the three kinds of enterprises that are partially or wholly foreign-owned. These enterprises which have gone into operation are faced with a series of problems such as the loss of the EC market, export obstacles, failure to give scope to economic results on a large scale, and diminishing of investment returns. Therefore, we cannot ignore the harm of the EC's anti-dumping measures to the export trade and investment environment of our country.

## Latin America & Caribbean

### Envoy Zhu Xun Arrives in Peru for Inauguration

OW2607180790 Beijing XINHUA in English  
1728 GMT 26 Jul 90

[Text] Lima, July 26 (XINHUA)—China's special envoy, minister of Geology and Mining, Zhu Xun, arrived here today to attend the inaugural ceremony of President-Elect Alberto Fujimori on Saturday.

President-Elect Fujimori will take over from outgoing President Alan Garcia for the 1990-1995 term. Fujimori was elected in a second round of voting in June 10 general elections.

According to Peru's Foreign Ministry, five Latin American heads of state and four vice presidents as well as foreign ministers and other cabinet members from around the world and representatives of different international organizations will be attending the ceremony.

### Meets Senate President

OW2707033690 Beijing XINHUA in English  
0158 GMT 27 Jul 90

[Text] Lima, July 26 (XINHUA)—The president of Peru's Chamber of Deputies, Luis Alvarado Contreras, and the president of the Senate, Humberto Carranza, met Thursday morning separately with the special envoy of the Chinese Government, minister of geology and mineral resources, Zhu Xun, and his entourage.

During the meeting, where the Chinese ambassador in Peru, Zhu Xiangzhong, and other Chinese Embassy officials were also present, both sides expressed their wish to promote friendship and cooperation relations between both peoples and both countries, and in particular, to consolidate ties between the Peruvian parliament and the National People's Congress of China.

Luis Alvarado Contreras, enthusiastically recalled his recent visit to China in June, and said he had ample and fruitful talks with Chinese leaders on issues of common interest.

Zhu Xun conveyed to the Peruvian leaders the cordial regards of the Chinese people and leaders, and said that both countries, which belong to the Third World, have many points in common regarding a series of international issues.

He added that both nations should strengthen exchange in various areas and explore new fields for bilateral cooperation.

Thursday afternoon, the Chinese delegation will meet with Peru's new minister of energy and mining, Fernando Sanchez, and with the outgoing minister, Mario Samame.

The special envoy of the Chinese Government and his entourage arrived early Thursday in Lima to attend the inaugural ceremony of President-elect Alberto Fujimori on July 28.

#### Meets Peruvian Parliamentary Leader

*OW0108063590 Beijing XINHUA in English  
0606 GMT 1 Aug 90*

[Text] Lima, July 31 (XINHUA)—Victor Paredes Guerra, president of Peru's Chamber of Deputies, met Monday with special Chinese envoy Zhu Xun, China's minister of geology and mineral resources.

Zhu congratulated Paredes on his posting as chamber president and delivered greetings from the president of the Standing Committee of China's National People's Congress, Wan Li.

During their meeting, Zhu briefly spoke of China's internal situation and foreign policy.

In a reference to bilateral relations, Zhu said that one of the fundamental points of China's foreign policy was to foster close ties and cooperation with Third World countries.

China and Peru, Zhu observed, have similar points of view regarding different international problems and thus lend each other mutual support.

Zhu also praised the Peruvian Congress for the contributions it has made toward promoting relations between China and Peru.

Paredes, in turn, asked Zhu to relay his greetings to both the President of the People's Republic of China, Yang Shangkun, and the president of the Standing Committee of the National People's Congress, Wan Li.

China has made great progress in the area of economic development, Paredes said, adding that Peru was interested in sharing China's scientific and technological

experience. Paredes also committed the Peruvian Congress to continuing efforts to strengthen ties between the two nations.

On Sunday, Peruvian Senate President Maximo San Ramon met with the Chinese envoy during the traditional military parade marking the 169th anniversary of Peru's independence.

Zhu and his delegation arrived here on July 25 to attend the swearing-in ceremony of President Alberto Fujimori. They left for Brazil Monday night.

#### Media Delegation Arrives in Mexico City

*OW0108035790 Beijing XINHUA in English  
0141 GMT 1 Aug 90*

[Text] Mexico City, July 31 (XINHUA)—A Chinese radio, cinema, and television delegation arrived Monday afternoon in Mexico City for a five-day visit to Mexico.

The 7-member delegation, headed by the Vice Minister of Radio, Cinema and Television, Nie Dajiang, was received at the airport by the vice president of international relations of Televisa, Jose Gallastegui, and the general director of public relations of this private television company, Ignacio Medina.

The visit of the delegation, in response to an invitation by Televisa, is aimed to strengthen cultural exchanges and explore possibilities of cooperation between China and Mexico.

During their stay in Mexico, the Chinese will meet with the president of Televisa, Emilio Azcarraga, and the president of the Administration Council, Romulo O'Farril.

Furthermore, the Chinese delegation will visit Televisa installations, the Museum of Anthropology, the Museum of Modern Art, the Contemporary Art Cultural Center, and other places of historic interest in this capital.

**Political & Social**

**Dalai Lama To End Institution, Independence Goal**  
*BK0108121290 Hong Kong AFP in English 1200 GMT  
1 Aug 90*

[Text] New Delhi, Aug 1 (AFP)—The Dalai Lama declared Wednesday that he will be the last god-king of six million Tibetans, and said he was ready to give up his demand for an independent Tibet and settle for autonomy within China.

"There should be no more Dalai Lama," the Nobel Peace Prize winner told reporters here. "Times change, so there is no need to preserve this institution."

The 55-year-old spiritual leader and 14th of Dalai Lamas said he had been trying to slowly introduce democracy into Tibetan society and throughout his resistance group. He said he wished to see democracy in any future Tibetan government-in-exile in India, which he now heads.

"I will not be the head in any form" of a government in his homeland, he said.

The Dalai Lama, who was wearing his usual crimson robes and was ringed by both Indian and Tibetan security men, said it was dangerous for Tibetans to rely on one person for their campaign against Chinese rule.

The Dalai Lama, who has been living in India in self-imposed exile since fleeing his homeland in 1959, said he was willing to settle for an autonomous Tibet within China.

"I am not demanding complete independence from China," he said, adding that the current rule of Chinese authorities over Tibet was still unacceptable.

"I think almost the entire Tibetan population is against this present arrangement," he said. "The (Tibetan) people are against Chinese rule. They say Dalai Lama should ask for full independence."

But he said making the demand now was "a little unrealistic."

The Buddhist leader referred to his 1988 five-point peace plan that calls for Chinese control of foreign policy in return for Tibetan autonomy.

"I call my proposal middle policy," he said.

China has declined to accept the proposals.

The Dalai Lama said he expected sweeping changes in Beijing in the next five to 10 years, after which time he would be able to go to China as "a simple Buddhist monk."

"That is my wish, my dream," he said, smiling broadly.

The Dalai Lama's government-in-exile, which is not recognised by any country, is based in the northern Indian hill town of Dharamsala. India is also home to more than 100,000 Tibetan refugees.

**Account of Jiang Zemin's Tibet Tour**

*OW3107112090 Beijing XINHUA Domestic in Chinese  
0653 GMT 30 Jul 90*

[“Newsletter” by XINHUA reporter He Min: “The General Secretary’s Trip to the Roof of the World”]

[Text] Lhasa, 30 Jul (XINHUA)—The general secretary's airplane slowly descended to Tibet's Gonggar Airport, which is 3,650 meters above sea level. Afterwards, with Jiang Zemin on board, an all-terrain jeep sped along the rolling Yalung Zangbo River and the steep and precipitous Himalayan mountain range, heading toward Lhasa, a city on the roof of the world.

Shortly after noon, an imposing, palace-like building gradually loomed before them; Jiang Zemin was told that it was the world renowned Potala Palace.

I

Tibet's sky was blue and the water was clear at mid-summer. The lakes under the stately snowcapped mountains were as reflective as mirrors. Herds of cattle and sheep could be seen grazing, and steeds could be seen galloping in the wind. The strange yet majestic natural beauty was both poetic and picturesque.

On the morning of 25 July, Jiang Zemin was driven to visit some rural families in Namgar Village of Donggar Township in Doilungdeqen County. Because of the previous night's rain, the village paths were quite muddy. Walking through the puddles, Jiang Zemin entered the home of Ngawang Danba, a Tibetan peasant. After entering, he sat down on a cushion with the host and began a cordial talk with him.

"How many members are there in your family?"

"Five."

"How old are you?"

"Fifty-seven."

"You look tough and strong. And how about you?" Jiang said, turning to the hostess who was pouring tea to the visitors.

"I'm 50."

"Then you're still young. Have you any grandchildren?"

"We have one."

Then Jiang Zemin asked Ngawang Danba: "What do you do, farm or raise livestock?"

"I farm. But I also have some side jobs."

"What do you grow?"

"Highland barley, winter wheat, and broad beans."

"How much money can you make in a year?"

"Fifteen thousand yuan."

"What's your net income?"

"More than 9,000 yuan."

According to a village cadre, Ngawang Danba also worked as a transport driver in addition to tilling more than seven mu of crops. In recent years, he built a new house and purchased a color television set, a radio cassette recorder, and other high-grade goods.

While talking to the host, Jiang Zemin studied the room. Pointing at the wallpaper with pictures of cranes on the roof, Jiang said: "Beautiful wallpaper! Is this the house you built yourself?"

"It was built bit by bit, following the rural reforms in 1979."

"Well, is life today better than before?"

"There's no comparison!"

Patting Ngawang Badan's left arm lightly, Jiang Zemin said to him: "I said at the regional conference of county and higher party and government cadres yesterday that all policies that have been proven to be good for the livelihood of people in Tibet will remain unchanged."

"Then I feel relieved!" "That's wonderful!" The host and the hostess exclaimed almost at the same time.

Before he left, Jiang Zemin gave the host a quartz wall clock. "This is for your wall so that you can tell time. A battery can last six months to one year." As he spoke, he also gave the host a box of candy, and said: "This is for your grandchild."

Ngawang Badan accepted the gifts with gratitude, and said repeatedly: "Thank you! Thank you!"

Tibet has more than 1.2 billion mu of pastoral areas, or approximately one-fourth of the nation's total grassland. Since there are about 23 million head of livestock of all descriptions in the autonomous region, herdsmen in Tibet have the highest per capita number of livestock in China. Jiang Zemin constantly dwelt on the production and livelihood of the herdsmen in Tibet.

On his way to the Yangbajing Geothermal Power Plant, Jiang Zemin saw some herdsmen tending sheep, and so he asked the driver to stop. Braving an ice-cold rain, he walked over to a piece of grassland beneath the snow-capped mountains and began to chat with herdsman Zhaxi Norbu, asking him questions like: How old are you? How many children do you have? Are they in school? How many head of cattle and sheep do you have, and is your house very far away?

Zhaxi Norbu told Jiang Zemin that he had 15 cattle and more than 100 sheep. Upon hearing this, Jiang smiled with delight. When Raidi, deputy secretary of the Tibet Regional Party Committee, told Jiang Zemin that "Zhaxi" is a Tibetan term meaning "good luck," Jiang held Zhaxi Norbu's dark, coarse hands and said to him in Tibetan: "Zhaxidele" (meaning good luck and best wishes).

The all-terrain jeep then sped bumpily along the valley of Mount Nianqen Tangra. Looking out of the jeep windows, we could see the verdant highland barley and the golden rapeseed flowers. A bumper harvest could be expected. Passing through Doilungdegen Township, men and women, both young and old, in the Noru Village were happily marking their traditional "fruit festival." Putting on their festive garb, they danced and sang in the wheat fields to celebrate their bumper crops.

Seeing this, Jiang Zemin again asked the driver to stop and then walked toward the herdsmen. Pleasantly surprised, the villagers greeted Jiang by presenting him a white silk scarf—the symbol of highest respect—and a "quema" (a luck container) filled with highland barley and barley wine. With a smile, Jiang Zemin accepted a bowl of butter tea and shared the villagers' joy at having a bumper harvest. He also wished them happiness and good crops.

## II

After 40 years of hard work, Tibet has witnessed earth-shaking changes in its economic construction. However, because of social, historical, and geographical reasons, Tibet's economic development still lags substantially behind that of the other provinces and municipalities in interior China. Thus, one of the main purposes of Jiang Zemin's inspection tour of Tibet was to study how to speed up Tibet's economic construction.

Prior to his arrival in Tibet, Jiang Zemin told leading comrades of the relevant departments and committees under the party Central Committee and the State Council: "When we are in Tibet, we must do something useful for the people there, and we must help them solve some problems. By no means should we simply talk about helping them!"

On 25 July, after nearly three hours of travel, Jiang Zemin arrived at the Yangbajing Geothermal Power Plant, which is situated more than 90 km from Lhasa and set at 4,350 meters above sea level.

Tibet is endowed with rich geothermal resources. According to surveys, Tibet has more than 600 locations with geothermal energy; the amount of untapped geothermal energy tops any other place in the country. Yangbajing possesses high temperature steam, and the amount of heat energy it emits annually is equal to the amount of energy generated by 470,000 metric tons of standard coal. Its power potential could reach 29 to 32 megawatts.

The geothermal heat gushing from the Yangbajing geothermal fields below the cloudy and perennially snow-covered Mount Nianqen Tangra formed many white plumes. Seen from afar, they look like smoke rising from kitchen chimneys. This scene, in conjunction with the cattle and sheep grazing in the green pastures nearby, reminded me of an ancient poem which reads, in part: Cattle and sheep looked small beneath the hills engulfed by smoke and clouds.

While visiting the geothermal power plant, Jiang Zemin made an effort to climb the 40 steps leading to the generator workshop in order that he might better understand the power plant's operations. According to Dunzhujia, general manager of the Yangbajing Geothermal Energy Development Company, after more than a dozen years, the power plant now has a total generating capacity of 18 megawatts, or 34 percent of the total generating capacity of the Lhasa power grid. The plant thus plays a decisive role in alleviating the power shortage in Lhasa. He said the plant is the only geothermal power plant in the world which generates power by utilizing medium-low geothermal heat; it is also China's only base where experiments are conducted in the use of geothermal energy to generate power for industrial purposes. He added that plant's third-stage construction project was underway and that a 3,000-kw generator would be installed by the end of the year.

After the briefing, Jiang Zemin said jokingly: "I have heard a lot about the well-known Yangbajing Geothermal Power Plant! When my alma mater, Shanghai Jiaotong University, hired me to be its professor, I made mention of this power plant in the first academic report I gave at the university. But just seeing it once is much better than hearing about it a hundred times. Today I can see that the power plant indeed has great potential. I wish the power plant even greater development, and I want to extend my cordial regards and high respect to all the builders of the power plant and their families." At the request of the power plant, before leaving the plant Jiang wrote this message for the plant: "Develop geothermal energy resources to benefit the people in Tibet."

Energy shortages and inadequate communications services are two problems that have hindered Tibet's economic development. Thus, during his inspection tour, Jiang Zemin emphatically told the leaders of Tibet that energy and communications are the priorities of Tibet's economic development, and that the progress of development in these two areas has a close bearing on whether or not Tibet's economic development can proceed continuously.

On 22 July, after hearing the work report which Hu Jintao, secretary of the Tibet Regional Party Committee, made on behalf of the Tibet Regional Party Committee and the regional government, Jiang Zemin and leaders of Tibet discussed ways and means to improve the backward state of Tibet's energy and communications development.

Hu Jintao said in his report: "According to statistics, traditional energies such as cow dung, firewood, and straw produce 75 percent of Tibet's total energy supply, with the remaining 25 percent made up by commodity energies. Throughout Tibet, 55 counties, or 73 percent of all Tibet's counties, are still without electricity. Thus, speeding energy development has become the key issue in Tibet's economic development. With regard to energy development, Tibet plans to concentrate on building the Yamzho Yumco Power Station and other supporting

power stations, and simultaneously speed up construction of county power stations and small hydroelectric power stations in rural and pastoral areas in a planned and systematic manner."

Jiang Zemin looked grave when informed that 73 percent of the counties in Tibet are still without electricity. He said: "Tibet is a big place, and peasants and herdsmen live far apart. Great efforts should be made to build small hydroelectric power stations in a planned manner according to local conditions that will supply the peasants and herdsmen the electricity needed for illumination. Each of these stations should have a generating capacity of about 2,000 kw."

Gan Ziyu, vice minister in charge of the State Planning Commission, who accompanied Jiang Zemin during the inspection tour, interposed: "Of the nation's water resources, which are adequate to generate 600 million kw of electricity, Tibet has enough resources for generating 200 million kw, topping any other place in the country. This shows that Tibet has bright prospects for developing its water resources."

To speed up development and utilization of Tibet's water resources, Hu Jintao hoped that state would ensure the financial and material resources needed by the Yamzho Yumco Power Station so that its construction can proceed normally. He further hoped the state would speed up finalizing the plans for the construction of other supporting projects. He also urged the State Planning Commission and other relevant departments tasked with drawing up the Eighth and Ninth Five-Year Plans to provide Tibet with the technology and capital it needs to build county power stations and small hydroelectric power stations in rural and pastoral areas.

"Well, can you do that?" Jiang Zemin turned toward Gan Ziyu and An Chengxin, deputy secretary general of the State Council, and asked their opinions.

"No problem. The state's investment in the Yamzho Yumco Power Plant will be appropriated in time." Gan Ziyu and An Chengxin clearly made the pledge then and there.

"In waterless areas," Hu Jintao continued, "we will continue to utilize solar and wind energy."

Jiang Zemin instructed: "While developing solar energy, problems of energy storage must be properly dealt with to ensure that power is available for peasants and herdsmen at night." He also pointed out that the development of electricity and other energies must be compatible with power consumption so that the best effects can be achieved.

Hu Jintao then touched upon Tibet's transportation problem. According to him, the roadbed of certain sections of the 500 km frozen soil zone on the Qinghai-Tibet Highway, through which 85 percent of all supplies are transported into Tibet, has been seriously damaged and urgently needs to be repaired. On this, Jiang Zemin said:

"This problem must be solved once and for all so that the road will not be damaged again after it is repaired."

To build communication links between Lhasa and Changdu [Qamdo] and between Changdu and other inland cities, Hu Jintao hoped that the state would open the use of Bangda Airport in Changdu and inaugurate the Chengdu-Changdu-Lhasa air route. He said: "Otherwise, it will take a three-day bus ride from Changdu to Chengdu and then a flight to Lhasa, and this is very uneconomical."

"This is indeed a waste of time and resources," said Jiang Zemin. "Changdu is strategically located. Comrade Ziyu, please be in charge of handling this problem, which must be resolved with great determination. I will back you up."

### III

The Tibetan people are not only diligent and brave but also intelligent and creative. They have built cultural relics almost everywhere on the vast roof of the world. As witnesses to history, these relics have recorded historical facts about the Tibetan people's being an inseparable part of the Chinese nation. As Jiang Zemin said during the study tour, history has irrefutably proved that Tibet has been a member of the big family of the motherland since the Yuan Dynasty.

The Jokhang Temple, the oldest architecture located at the center of Lhasa City, was reportedly built by Princess Wencheng after she arrived in Tibet. According to legend, she chose the site and designed the temple; and the Lhasa Castle developed around the temple. On 23 July, Jiang Zemin toured Jokhang Temple. The gold and green colored temple appeared especially magnificent under the blue sky. A number of religious believers walked about slowly with prayer wheels in hand, or counted beads and silently read the Sutras. Nearby, vendors and crowds clustered on Bargor Street, where a scene of harmony and prosperity prevailed.

Accompanied by Tudeng Renqin, vice chairman of the temple's democratic management committee, Jiang Zemin entered the main hall. Inside the dimly lit hall, pendant streamers hung low and oil lamps flickered. Jiang Zemin stood still for a long while in front of Princess Wencheng's portrait, clasping his hands in salutation to express admiration and cherish the memory of the friendship emissary who promoted Han-Tibetan marriage.

The towering Potala Palace, epitome of Lhasa, is also a great architectural symbol of which the Tibetan people are very proud. On 24 July, Jiang Zemin climbed up the 110 meter high palace atop Hong Shan in Lhasa City to view the masterpiece of the Tibetan people. A palace caretaker, Bai Lang, informed Jiang Zemin that the palace was first built during the Songzanganbu Era 1,300 years ago. Covering 130,000 square meters, the palace has more than 1,000 rooms and a large collection of rare

sculptures, murals, and scriptures, as well as such priceless scriptures as the Dazang Jing and the Beiy Jing.

Guided by Bai Lang and the palace lamas, Jiang Zemin saw from the murals such historical scenes as Princess Wencheng arriving at Tibet to marry a Tibetan, the Dalai Lama V appearing in Beijing to have an audience with Emperor Shunzhi, and the Dalai Lama XIII paying a courtesy call on [Empress Dowager] Cixi and [Emperor] Guangxu in Beijing, as well as the inscribed boards bestowed by Emperors Qianlong and Tongzhi, rulers of the central government.

"Terrific, terrific!" Jiang Zemin gasped with admiration as he walked through the palace. "This is a crystallization of the Tibetan people's splendid culture." At the end of the tour, Jiang Zemin took up a writing brush and wrote an impromptu inscription: "Safeguard the unity of nationalities, disseminate the culture of minority nationalities."

In Luobulinka on the outskirts of Lhasa City, Jiang Zemin sat together with celebrities from the Tibetan nationality and religious circles inside a Tibetan tent. They freely reviewed the vicissitudes and the momentous changes in Tibet over the past four decades and talked about its bright future. The Tibetan people expressed their profound friendship for the general secretary by presenting him white silk scarves, proposing toasts with mellow highland barley wine, and singing toasting songs.

Pagbaisha Geleg Namgyai, a vice chairman of the National Committee of the Chinese People's Political Consultative Conference and vice chairman of the Autonomous Regional People's Congress Standing Committee, said with deep feeling: "History has eloquently proved that without the CPC's leadership, the socialist system, the strong backing of the big family of the motherland, and the joint efforts of people of all nationalities in Tibet, the New Tibet would not be in existence today."

Jiang Zemin said: "Tibet is a member of the big family of the motherland. The hearts of the Chinese people of all nationalities are closely united as one. In the great undertaking of building socialism with Chinese characteristics, we unite closely, support each other, and share a common destiny." He urged the people of all nationalities and in various circles in Tibet to work together under the banner of patriotism and socialism to achieve a long period of order and stability and economic development.

As Princess Wencheng is still remembered and admired by later generations for her marriage to a Tibetan, those who dedicate themselves to the unification of the motherland and unity among nationalities will never be forgotten by the motherland and its people. Before winding up his tour, Jiang Zemin called on the monks of Zhaxi Lhunbo Lamasery in Xigaze Prefecture in southwestern Tibet. Inside the lamasery, he stood in salutation before the remains of the late Great Master Bainqen Erdini Qoigyi Gyaincain, who was a vice chairman of the National People's Congress Standing Committee.

Cherishing a profound memory, Jiang Zemin said: "The Great Master Bainqen X was a great patriot and prominent statesman of China, a loyal friend of the CPC, and an outstanding leader of Chinese Tibetan Buddhism. I had a very good personal friendship with him. Although more than a year has elapsed since Great Master Bainqen passed away, the people of the whole country still remember his important contributions to safeguarding the motherland's unification, enhancing unity between the Tibetan and Han people as well as the Chinese people of all nationalities, and building distinctively Chinese-style socialism. In remembering him, we should continue to carry out his behest, emulate and carry forward his patriotism, and rally even more closely in striving to jointly build a united, prosperous, civilized socialist new Tibet, accomplish the modernization drive, and rejuvenate the Chinese nation!"

### CHENG MING Reports Deng in Good Health

HK0108091490 Hong Kong CHENG MING in Chinese  
No. 154, 1 Aug 90 p 23

[Article from 'Reference News' column by Fang Fu (0416 1133): "Deng Xiaoping's Health Is Normal"]

[Text] Deng Xiaoping is now in good health and is refraining from smoking and drinking. He only listens to briefings on some major issues and gives advice; he takes no notice of minor issues. Everyday he practices deep breathing exercises and plays bridge.

It has been learned that Deng Xiaoping rarely loses his temper at the bridge table, but when playing bridge with Wang Zhen one day in May, he was suddenly "driven beyond the limits of forbearance"; he threw away the playing cards and went off in a huff, alleging that Wang Zhen is an "awful bridge player." Also, this was reportedly the first time Wang Zhen had gotten upset with Deng Xiaoping at the bridge table, murmuring that no one could be a sure winner, and that if one is a bad loser he should not play bridge with others. Nevertheless, on the evening of the same day, Deng Xiaoping again invited Wang Zhen, Rong Gaotang, and some others to his home to eat Sichuan dan dan noodles in chili sauce.

### Yuan Mu Says Reinstatement of Zhao Not Likely

OW3107145590 Beijing XINHUA in English  
1442 GMT 31 Jul 90

[Text] Beijing, July 31 (XINHUA)—Rumors of "reinstatement" of former Communist Party of China (CPC) General Secretary Zhao Ziyang are entirely without foundation, State Council Spokesman Yuan Mu told Kazuhiko Mitsumori, Beijing bureau chief of the "JAPAN ECONOMIC JOURNAL", in an interview last Saturday [28 July].

Moreover, there has been no meeting between Deng Xiaoping and Zhao, Yuan said, refuting rumors to that effect in the overseas media.

The communique of the Fourth Session of the CPC's 13th Central Committee clearly pointed out the nature of Zhao's mistakes, he said.

This is an intra-party issue, which is still under investigation by the party, Yuan said.

"It is necessary to spend more time on the investigation and make all the facts clear before coming to a conclusion," he said.

In terms of material life, Yuan said, Zhao enjoys the same treatment as before, adding that as he is still a party member, he ought to abide by party discipline.

As Zhao has never been under "house arrest", Yuan said, there is no question about "lifting house arrest" as rumored in the overseas media.

### Yuan Mu Previews Seventh CC Session

OW3107141490 Beijing XINHUA in English  
1344 GMT 31 Jul 90

[Text] Beijing, July 31 (XINHUA)—The nation's Eighth Five-Year Plan and a 10-year Development Program are to dominate the Seventh Session of the Chinese Communist Party (CPC)'s 13th Central Committee, which is to convene later this year, a senior Chinese official said.

The date of the session will depend on the preparations for the Eighth Five-Year Plan and the 10-year Development Program for the century's last decade, spokesman for the State Council Yuan Mu said last Saturday in an interview with Kazuhiko Mitsumori, Beijing bureau chief of the "Japan Economic Journal".

That is to say, he explained, the Five-Year Plan and the 10-Year Program will be the session's central topic, which in itself "indicates the increasing political, economic and social stability in China."

"This shows," he added, "that the party and government will strive to rally the whole party and nation to achieve the set goal of the four modernizations. Therefore, it will be a forward-looking session," he said.

Asked why China needs to combine the Five-Year Plan with a 10-Year Development Program, Yuan said that years of experience have shown that it is not enough to foresee issues in merely five years in drawing up medium- or long-term development programs for the national economy.

On the one hand, he explained, some big projects cannot be completed in five years. On the other hand, economic development is a continuous process. Thus, he went on, in drafting the five-year plan, the longer prospects of economic development need to be taken into account.

Now, he said, "we will take the development trends of the next decade into account, centered on the Five-Year Plan." The 10-Year Program is the framework, and the Five-Year Plan, the details. But the two will be closely combined with each other, he explained.

Asked about the Eighth Five-Year Plan's basic objectives and priorities, and China's future economic growth rate, Yuan said the question needs to be viewed from two aspects: one is the long-term set goals, and the other comprises the realistic situation and possibilities.

As one step toward the four modernizations, he explained, the next goal for China's economy is to double the present GNP and ensure a reasonably well-off living standard for all the people by the end of the century. That goal, which is in accord with the realities of the country, can be achieved so long as sufficient efforts are made, he said.

A five-to-six-percent growth rate of the national economy in the next decade will be enough to achieve the above goal, according to studies made by macro-economic administration departments along with economists, Yuan said. Thus, the Eighth Five-Year Plan, which is now being drafted, will most probably fix the growth rate at around six percent, he added.

And in view of the actual economic situation, he said, the economic readjustment is gradually accomplishing its objectives—the over-heated economy and hyper-inflation have been brought under control, with the price hike index for the first six months this year at 3.2 percent and the figure for the latter half of the year controlled at a single digit rate.

Meanwhile, he added, agriculture is doing fine, and industrial production is picking up. The set growth figures of four percent for agriculture and six percent for industry will be achieved this year, if no unforeseen difficulties arise, he said.

Yuan went on to give a more detailed account of China's Eighth Five-Year Plan:

1. During the Eighth Five-Year Plan period, China will strive to consolidate the achievements of the economic readjustment, so as to guarantee a sustained, stable and coordinated development of the economy. The focus will be on restructuring the economic setup, smoothing out economic relations and enhancing economic results, instead of concentrating on growth rates, thus ensuring a healthy development of the economy.

Economic revamping will continue and the reform will be further deepened in the first one or two years; in order to solve the existing and new problems with the economy. Vigilance should be kept against a recurrence of economic over-heating or surpassing of supply by demand, so as to lay a more solid foundation for the national economy.

2. Agriculture will continue to enjoy favorable policies to further strengthen this basic element of the national economy. The state and localities will apply greater financial resources, and individual farmers will be encouraged to accumulate more finances and invest more in agriculture. At the same time, more efforts will be made to promote rural reform and the use of more advanced farming technologies,

so as to ensure a steady increase in the output of major crops, such as grain and cotton.

3. In the industrial sector, similar favorable policies will be applied to basic industry and infrastructure, with energy, raw materials and public facilities to get a greater proportion of the investment increase. This is aimed at changing the situation in which the processing industry has shown an excessive development pace, leaving the basic industries too far behind to catch up.

4. Under the prerequisite of maintaining an appropriate growth rate, all-out efforts will be made to change the present system of extensive management into one of intensive management.

5. The accomplishment of all these objectives relies on further deepening the reform and opening to the outside world.

The deepening of the reform will be primarily directed along two channels: on the one hand, the enterprise reform will go deeper in a bid to rationalize the relations between the state and enterprises and to invigorate businesses; on the other, macro-economic administration institutions are to be improved, economic adjustment levers better used, macro-administration strengthened, and reforms to be carried on in the planning, financial, banking and price sectors.

In furthering its opening efforts, China will continue to carry out the development strategy for the coastal regions, and to do a good job of the construction of coastal open cities and economic development zones by utilizing the favorable conditions there, improving the investment environment and developing an export-oriented economy.

Also, relevant departments of the Chinese Government are obliged to give guidance to foreign investment through their policies, Yuan said.

In the Eighth Five-Year Plan period, Yuan said, while further promoting the growth of the existing coastal open cities and zones, the development of Shanghai's Pudong area will be a priority, adding that a situation in which similar development in other places will be made in a rush should be avoided.

Referring to some "misunderstanding in the Western media" that China's reform and open policies have regressed, Yuan said, "China will not, nor will it be able to, go back to the previous highly centralized, rigid economy and closed-door situation."

However, he added, China's reform and opening to the outside world are meant to consolidate and improve the socialist system, and to boost the constant development of the productive forces.

No matter what other people say, he said, "we will advance with our set policies."

**Qiao Shi Inspects Xinjiang 23-29 Jul**

OW3107202290 Beijing XINHUA Domestic Service  
in Chinese 0630 GMT 31 Jul 90

[By reporter Wang Youfu (3076 2589 1381)]

[Text] Urumqi, 31 Jul (XINHUA)—During a recent inspection tour of Xinjiang, Qiao Shi, member of the Standing Committee of the Political Bureau of the CPC Central Committee, said that the current political and economic situation in Xinjiang Uygur Autonomous Region in the motherland's northwestern frontier is stable and that the autonomous region has scored remarkable achievements since the founding of the country, especially since the Third Plenary Session of the 11th CPC Central Committee. He urged party and government leaders at all levels in Xinjiang to adhere to the party's basic line, build closer links with the masses, continuously consolidate and increase unity among all nationalities, resolutely combat national separatism, and strive to improve work in all fields in Xinjiang.

Qiao Shi inspected Xinjiang from 23 to 29 July in the company of Song Hanliang, secretary of the Xinjiang Uygur Autonomous Regional CPC Committee, and Tomur Dawamat, deputy secretary of the regional CPC Committee and chairman of the regional people's government. Defying the midsummer heat of the southern Tian Shan, Qiao Shi visited Bayingolin Monggol Autonomous Prefecture, Aksu Prefecture, Kizilsu Kirgiz Autonomous Region, Kashi Prefecture, and Hotan Prefecture. He inspected a Tabei Oilfield drilling site and called on cadres and people of all nationalities in the fields, farm courtyards, and factory workshops, familiarizing himself with their production conditions and everyday life. He also visited southern Xinjiang Provincial Military District to convey the party Central Committee's regards to all commanders and fighters of the district.

Qiao Shi said: As in the country as a whole, the current situation in Xinjiang Uygur Autonomous Region is generally good and its political and economic situation is stable. Leading comrades of the autonomous region party committee and government have worked earnestly to support and implement resolutely, according to actual conditions in Xinjiang, the Central Committee's basic line, principles, and policies. As a result, remarkable achievements have been made—especially in the past decade—in all fields of work throughout Xinjiang. This year, the autonomous region expects to reap another bumper agricultural and animal husbandry harvest for the 13th time. With industrial production beginning to pick up and market prices dropping steadily, people of all nationalities live and work in peace and contentment. I am deeply impressed by all of this.

Qiao Shi said: The party Central Committee is very much concerned with Xinjiang, a multinational region bordering many countries that is strategically located. At present, stability is an overriding task. Without stability it is impossible to accomplish anything, including the

economic construction and development of all nationalities. To develop Xinjiang there must be a stable environment. We should seize the current golden opportunity to accelerate the pace of construction. Practice has proven that the broad masses of all nationalities in Xinjiang yearn for stability and that our party's line and basic principles and policies are correct and enjoy popular support. As long as we maintain the stability and continuity of the policies and the people of all nationalities are closely united in continuing to develop the economy under the party's leadership, our cause certainly will advance and we surely will establish ourselves in an invincible position.

Qiao Shi stressed that in safeguarding Xinjiang's stability and development, we should steadily consolidate and increase unity among all nationalities and resolutely combat national separatism. He said: China is a multinational country, and every nationality has made its share of contributions to the motherland's prosperity. Under the current new situation, we should continue steadfastly to implement the policy on regional autonomy of minority nationalities which was set forth in the early days of the PRC. This is the foundation for enhancing unity among nationalities. Since the Third Session of the 11th CPC Central Committee was convened, a law on regional autonomy of minority nationalities has been formulated to codify the regional autonomy system of minority nationalities. This law has been supported by people of all nationalities. In enforcing the law, we should seriously implement it and do a good job in various fields of work. Qiao Shi pointed out: To strengthen unity among nationalities and safeguard the motherland's unification, we should maintain a cool head and under no circumstances lower our guard against national separatism. The masses of people oppose turmoil and splitism. We should trust and rely upon the overwhelming majority of all nationalities to strengthen unity among nationalities and fight separatism.

Qiao Shi emphasized: We should pay close attention to the construction of grassroots party organizations and power organs and make determined efforts to successfully build every grassroots party organization and power organ. Herein lies the foundation for ensuring a good job in all fields of work, as well as for building closer links between the party and the masses. He said: The Xinjiang Uygur Autonomous Regional CPC Committee recently convened a successful enlarged plenum of its Central Committee to seriously summarize experiences in this aspect. Xinjiang has trained a number of outstanding minority nationality cadres over the past several decades. It is hoped that we will be able to train more Marxists from among minority nationalities in the future.

On the matter of religion, Qiao Shi said: Xinjiang has done a tremendous job in implementing the policy toward religion, with which the masses are satisfied. In the future, work related to religion should be conducted entirely according to the central authorities' policy toward religion and within the scope prescribed by the

Constitution and other laws. As long as the upper echelon and followers of a religion are patriotic and safeguard unification of the motherland, we should unite them in striving to make the socialist modernization drive a success.

On the afternoon of 28 July, Qiao Shi attended a discussion with principal leading cadres of the regional party, government, military organs, and the Xinjiang Production Corps in Urumqi. Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference and chairman of the Xinjiang Uygur Autonomous Regional Advisory Commission, attended the discussion.

#### **Central Meetings on Games, Propaganda Imminent**

*HK0108031690 Hong Kong MING PAO in Chinese  
1 Aug 90 p 2*

[“CPC Central Committee To Hold Important Meetings To Ensure Success of Asian Games and Discuss Political and Economic Situation”]

[Text] As the date for the opening of the Asian Games in Beijing is drawing near, the CPC decision-makers have begun to devote more and more energy to ensure the success of the games. According to sources in Beijing, the CPC top leadership has decided to convene in the near future an important meeting, something like a central work conference, to discuss measures for ensuring the success of the Asian Games, and also to discuss China's current political and economic situation.

According to sources, a major task for the important meeting is to make preparations for the seventh plenum of the Central Committee. If conditions are ripe, the CPC top leadership will not rule out the possibility of holding the Central Committee plenum immediately after the central work conference.

According to sources, the Political Bureau held a special meeting in late May to discuss issues concerning the Asian Games. However, the present situation is quite different from what was anticipated. For example, the department responsible for organizing the Asian Games in Beijing is expecting more than 5,000 Chinese and foreign reporters to come to Beijing to cover the Games, over 2,000 of these foreign reporters. But so far only 500 foreign reporters have made hotel reservations. Beijing's Wuzhou Hotel, which is used to accommodate foreign reporters, may face a crisis of insufficient customers. It is said that the important meeting will be held when Deng Xiaoping and Yang Shangkun return to Beijing from Beidaihe. Deng Xiaoping is now in good health, and he continued to swim in Beidaihe. After meeting with former Canadian Prime Minister Trudeau, Deng Xiaoping did not meet any foreign friends.

According to sources, Yang Shangkun was also recuperating in good condition. Yang indeed contracted appendicitis, and there were no complications. When Yang was hospitalized and undergoing surgery, his son Yang

Shaoming was visiting the United States. The CPC leadership did not call Yang Shaoming back to Beijing. After concluding his visit to the United States, Yang Shaoming stayed in Beijing for only a few days and then left on a visit to the Soviet Union. He is no longer a special photographer for the top leaders; instead, he is now a bureau-level cadre in the Central Committee's Party Literature Research Center.

Reportedly, the CPC leadership has also decided to hold a national propaganda work conference in the near future to formulate a new external propaganda policy in light of the past year's changes in the international situation and in light of adjustments in China's diplomatic strategy.

The conflicts between Li Ruihuan, the Politburo Standing Committee member in charge of ideological work, and the hardliners on the ideological front have been brought to a temporary close, but neither side has made a major concession. Li Ruihuan is still in charge of ideological work, but his ideas have not been put into practice.

Generally speaking, the purges in the ideological field have come to an end; but in such “severely afflicted areas” as the XINHUA News Agency and RENMIN RIBAO, purges are continuing. After RENMIN WENXUE adopted the system of appointing two editors-in-chief, WENYI BAO, the organ of the China Federation of Literary and Art Circles, adopted the same system. The first editor-in-chief is Chen Yong, a famous “left-wing literary and art theorist,” and the second editor-in-chief is his old subordinate Zheng Bonong. There are three deputy editors-in-chief, all close to the ideological hard line.

#### **Li Tieying Addresses Rat Extermination Meeting**

*HK3107144390 Beijing RENMIN RIBAO in Chinese  
25 Jul 90 p 3*

[Article by Lin Rongqiang (2651 2837 1730); “Li Tieying Addresses National Meeting on Exterminating Rats”]

[Text] At a recent national symposium on techniques for wiping out rats, Li Tieying, state councillor and chairman of the All-China Patriotic Public Health Campaign Committee, required that governments at all levels include the work of exterminating rats in the entire urban and rural management plan.

At present, there are at least 3 to 4 billion rats in our country. According to the agricultural department's incomplete statistics, rats damage more than 5 billion kg of food grain a year, equivalent to the annual quantity of grain imports. In the grassland areas, rats bite grass roots and turn prairies into “black lands” or even into deserts. Some grasslands have lost their pastoral value. In forest areas, rats eat tree seeds and damage seedlings, bite tree roots, affect regeneration, damage 20 to 40 percent of trees, and kill more than 20 percent of these. In recent years, diseases spread by rats have also increased rapidly.

In 1985, more than 100,000 cases of epidemic hemorrhagic fever occurred in China. In addition, many factories and mines were forced to suspend production due to electricity stoppages caused by rats.

According to the public health management department, in the past few years, although substantial results have been achieved in the work of rat extermination in China, development has been uneven, and actual results have not reached Seventh Five-Year Plan requirements. The main problem is that rat extermination was not extensively conducted in small cities, county towns, and rural villages. According to statistics in 1986 and 1987, only 60 percent of the counties in China carried out extermination tasks; more than 700 cities and counties did not carry out this work.

Li Tieying said: In the period of the Eighth Five-Year Plan, we must shift the focus of rat extermination to the countryside, change the uneven development of this work between cities and the countryside, improve extermination methods, spread advanced techniques, and promote the use of effective chemicals for poisoning rats to achieve extermination targets.

#### Sun Weiben on Improving Party-People Relations

HK0108090190 Beijing LIAOWANG in Chinese No. 29, 16 Jul 90 pp 5-7

[Article by Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee: "To Establish Closer Ties Between the Party and the People, Do Good Work in Three Areas"]

[Text] After 10 years of reform and opening up, China's economy has developed rapidly and people's lives have improved markedly. However, there are still many people who are discontent and have grievances against government work. The CPC Central Committee has made a decision in response to this, and demanded closer ties between the party and the masses of people. This is very correct. I think that to implement this decision, we must adopt measures to do the following jobs well.

**First, to strengthen ties between the party and the masses of people, we must guarantee that the major party and government decisions, and implementation of these decisions, accord with the people's basic interests.**

In recent years we have made constant efforts to improve decisionmaking standards. In particular, facing a great number of new conflicts and new problems arising from improvement and rectification and the deepening of reform in the past two years, we have insisted on proceeding from the people's basic interests and from Heilongjiang's practical situation, organically integrating responsibilities to the party with responsibilities to the people, and making no serious mistakes in major decisions concerning political, economic, and social development.

However, we must also frankly admit that the problem of low decisionmaking standards and poor implementation of decisions exists among party committees and governments at various levels as well as among various departments. From now on, our leadership at various levels must further straighten out decisionmaking thinking and strive to improve the quality of decisionmaking. When party and government leaders consider problems and make decisions, they must proceed from what is beneficial to the development of productive forces and to the people's basic, long-term interests; they must not proceed only from the utilitarianism of their own groups, governments, localities, departments, or the leaders themselves.

To do this, first, the major decisions and development strategies based on correctly understanding the situation in the province, city, or countryside, those which transcend a long period of time, cannot "stop" or "cease" simply because of a change in leaders or transfer of leadership groups. Decisions concerning the overall situation must first solicit and absorb opinion from the grass-roots level; decisions on "hot" issues about which the masses have expressed concern must first directly consider the opinion of the producers and operators who will be affected by the decision. This cannot be replaced by any other means of consultation and study.

Second, for the major decisions, it is necessary to strictly observe the principle of democratic centralism. Major local decisions must be discussed and made by the corresponding meetings held by party committees and governments; without collective discussion, no organization or individual has the power to make decisions at will. During collective discussions, democracy must be fully developed, and various opinions must be adequately listened to—especially differing opinions—and we must choose the good ones to follow. Decisions that are collective in form but individual in reality must be resolutely curbed, to prevent strong individual marks from being made on collective decisions.

Third, it is necessary to strengthen the authoritativeness of decisions made by the party and the government. Party committees at various levels and party organs within various departments must resolutely implement the decisions and policies made by the Central Committee, the State Council, various provincial party committees, and provincial governments. First, they must implement them completely and correctly, and on this premise advocate creativity. Party committee and government decisions must be simple and few in number. We must make efforts to improve their quality and pay more attention to grasping the implementation of major decisions and measures.

**Second, to strengthen ties between the party and the masses of people it is necessary to strictly punish corruption and strengthen clean government. This is the strategic means for improving relations between the party and the people and ensuring that the undertaking will remain in an impregnable position.**

Since last year, when Heilongjiang announced its intention to tackle nine matters which the masses are concerned about, we have detected 1,632 cadres at or above the department level throughout the province who have exceedingly large houses, and recovered 667 idle houses and houses with living space exceeding the criterion; 172 leading cadres who have violated housing discipline have received disciplinary actions from the party and government. We have turned up 4,202 cars involved in various violations of discipline and abolished or merged 3,246 companies of various kinds. Other matters, such as leading cadres going abroad or taking holidays at public expense, or whose children and spouses were engaging in business, have been brought under effective control.

At present, we must pay particular attention to the problem of abuse of power for blackmail, against which the masses have serious grievances. Last year, supervision organs throughout the province handled 9,508 letters and reports involving blackmail, or 29.8 percent of all cases handled. This problem occurred mainly in departments with real authority, departments in charge of the economy, public security organs, and judicial organs. Because blackmail occurred again and again despite efforts to curb it, it led to a huge number of problems such as granting loans, establishing items, paying taxes, recruiting workers, recommending cadres for promotion, fulfilling servicemen's duty, settling households, visiting doctors, going to schools, assigning jobs, and reporting crimes, which involve the most general and direct relations with the masses. The masses of people hate these very much, and to them, whether these problems can be solved is an indication of whether the party and government truly intend to strictly punish corruption.

If the problem of abuse of power for blackmail is not resolved, then all our efforts in other aspects will be offset, or even wasted. We must be determined to fight a hard battle to resolve this problem.

**Third, to improve party relations with the masses of people, it is necessary to appoint persons according to their ability and uphold completely the principle of "four transformations" for cadres, so that leadership will be firmly grasped by those who are loyal to Marxism.**

The masses are very concerned about what kind of persons are selected to join the leadership. Whether we can select persons whom the masses trust and who satisfy the criteria of the "four transformations" will greatly influence the improvement of relations between the party and the people. In the course of implementing the principle of the "four transformations," we must place revolutionization in the first position; only then can we enable those who are loyal to Marxism to firmly grasp the leadership. When we talk about revolutionizing the cadre contingency and about cadre ethics, we should include character, morality, thought, work style, and political stand, while the most important thing is to judge whether a cadre is determined to implement the party's basic line.

When speaking about persons who are loyal to Marxism, we mean those who are loyal to the basic principles of Marxism and are able to use its basic stand, viewpoints, and methods to study and resolve various problems arising from practice, not those who are only capable of using abstract principles and utopian models to judge life; we mean those who are loyal to the party's line and basic policy formulated since the Third Plenary Session of the 11th CPC Central Committee and those who can resolutely and completely implement the party's basic line, not those who are skeptical about the correct line and policies; and we mean those who are selfless, can handle matters impartially, are brave in combating evil tendencies, and loyally follow the party's decisions, not those who are always calculating with their own "small abacuses," sacrificing party spirit and principle for "votes" and pandering to low tastes.

#### Poll Shows Interest in Political, Moral Issues

OW0108064090 Beijing XINHUA Domestic Service  
in Chinese 2303 GMT 21 Jul 90

[By reporter Zou Aiguo]

[Text] Beijing, 22 Jul (XINHUA)—What issues are the Chinese most interested in? According to a survey jointly conducted by the China Social Survey Institute [CSSI] and the Central People's Broadcasting Station [CPBS], the issue of primary interest is politics, followed by morality.

The survey polled listeners of the "Investigations and Responses" radio column in CPBS's "Half Hour at Noon" program, asking them "What issues do you want the 'Investigations and Responses' radio column to investigate?"

Sixty-five percent of the many responses received pointed to "political issues." In her letter, a listener explained why she had chosen politics, saying: An investigation of political issues is expected to elicit enthusiastic responses, because the number of people concerned about major state affairs and national policies has increased since the program of reform and openness was implemented. The investigation, to be conducted through the news media, can also provide the people with opportunities and channels for participating in the management and discussion of state affairs. The results of the investigation can help our leaders draw up correct policies and promote the program of reform and openness.

In their letters, the listeners who responded to the poll outlined many questions to be asked during the investigation: How should party building be strengthened? How should clean government be effectively promoted? What do you think of the current relations between the party and the people? Are you satisfied with the leadership style of your unit?

With changes in various sectors of society, moral issues and interpersonal relations have become major issues of concern to people. In their letters, the listeners listed

"moral issues" immediately after "political issues" as matters of concern to them. Among the questions suggested by the listeners are: What impact does the decade-old reform have on public moral concepts? How should people get along with each other in the new era? What is the root cause of the generation gap? Many listeners tried to discuss public morality in light of the trivialities of their daily lives. Among the questions they suggested are: What sort of act is it to give someone a ride on your bicycle? What kind of teacher do you like most?

In response to the poll, the listeners' letters also cited cultural, economic, marital, and sports issues as matters of interest to them. Also proposed by the listeners were such questions as: Do you think you have a variety of cultural activities in your spare time? What do you think are the major phenomena reflecting the current inequitable distribution of wealth in society? Are you happy with your marriage? How should the family planning policy be carried out?

In analyzing the psychology of the listeners, CSSI officials detected some disparities between different groups of listeners with regard to matters of concern. Male listeners hoped that "political" and "economic" issues would be investigated, while female listeners cited "moral" and "cultural" issues. Workers were most interested in "political issues," while peasants wanted "cultural issues" investigated. Scientific and technical personnel were most concerned about "economic issues," while most of the students surveyed chose "moral issues."

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HK0108084390 Beijing RENMIN RIBAO in Chinese  
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#### Military

##### Beijing Officials Mark PLA Founding Anniversary

OW2807125890 Beijing XINHUA in English  
1156 GMT 28 Jul 90

[Text] Beijing, July 28 (XINHUA)—Officers from the People's Liberation Army (PLA) and Beijing Armed Police Corps joined representatives of local officials and residents here today at the Great Hall of the People to mark the 63d anniversary of the founding of the People's Liberation Army.

The PLA was founded on August 1, 1927.

In her speech, He Luli, vice-mayor of Beijing, spoke highly of the Army's role in the capital's development.

She said that in past few months over 100,000 officers and men have joined the city-wide promotion campaign for the coming Asian games in September. And from March to June, they planted over 300,000 trees and lawns covering over 200,000 square meters, completing half of the total annual greening tasks of the city.

She asked the civilians to continue to support the Army and develop a closer relations with the Army.

Zhou Wenyuan, deputy director of the PLA General Political Department, thanked the local government for having ensured the supply for the Army and helped the officers' and men's relatives in employment, housing and schooling.

He urged PLA officers and men to continue to respect the government and cherish the people.

##### Jiang Zemin Army Day Speech

OW3107152790 Beijing XINHUA Domestic Service  
in Chinese 1003 GMT 31 Jul 90

[Televised speech by Jiang Zemin, general secretary of the CPC Central Committee and chairman of the Central Military Commission, to mark the 63d anniversary of Army Day, 31 July 1990]

[Text] Beijing, 31 Jul (XINHUA)—Comrades: The 63d anniversary of the founding of the great Chinese People's Liberation Army [PLA] falls on 1 August this year. As we usher in this glorious day, allow me to extend the warm greetings of the party Central Committee, the State Council, and the Central Military Commission to PLA

commanders and fighters, commanders and fighters of the armed police force, reserve soldiers, and the vast number of militiamen, who all fight on all fronts in safeguarding and building our motherland; to extend their lofty respects to the proletarian revolutionaries of the older generation who created the Armed Forces; to extend their cordial regards to the retired veterans, soldiers transferred to civilian departments, demobilized soldiers, retirees, wounded or handicapped revolutionary soldiers, and families of martyrs and soldiers; and to extend their sincere thanks to all party committees, governments, and people of all nationalities who care for and support the Armed Forces!

China has experienced earthshaking changes over the past 50 or more years. The Chinese people, who have experienced a great many things, have completely overthrown the dark rule of imperialism, feudalism, and bureaucratic capitalism, putting an end to the history of humiliation in which we were trampled upon and bullied at will for a period of more than 100 years, and initiating the socialist cause that will continue for many centuries. An independent New China is now standing tall in the East. Since the Third Plenary Session of the 11th CPC Central Committee, in particular, China has achieved enormous successes in launching its socialist modernization programs and carrying out reforms and opening to the outside world, all social causes are developing vigorously, and living standards have improved conspicuously. These world-renowned changes are the result of the people's protracted struggles under the leadership of our party; they are also inseparable from the maturity and heroic struggles of the people's Armed Forces. It is an irrefutable truth that without the people's Armed Forces, the people would have nothing.

The PLA was born in semifeastal and semicolonial Old China. The enemy it faced was extraordinarily strong, the difficulties it encountered were extremely unusual, and the struggles it went through were extremely complex. Under CPC leadership, the PLA relied on the people closely, united with them, fought north and south on many fronts, and braved untold dangers. After going through years of hardship during the agrarian revolutionary war, the war of resistance against Japan, and the liberation war, it rendered great meritorious services to the victory of the new democratic revolution. After the founding of New China, our Armed Forces, following the party's instructions, continued to march forward bravely, dealing heavy blows to intruders on many occasions, thus defending the independence of our great motherland and the peace in border areas. The people's Armed Forces have also contributed remarkably to socialist construction. PLA commanders and fighters have left their footprints on many key, formidable projects; they have toiled and sweated during many struggles to combat disasters and provide relief services. Especially during the period between late spring and early summer last year when the party and the state were in a critical stage of survival, PLA officers and men defended the CPC leadership and the socialist system

with their blood and loyalty, thus safeguarding the successes achieved in our modernization drive, reform, and opening up, and safeguarding the dignity of our socialist democratic and legal system. The PLA really deserves to be called a heroic army loyal to the party and the people, a staunch pillar supporting the people's democratic dictatorship, and the steel great wall safeguarding our socialist motherland.

The PLA has also achieved significant successes in building itself during the protracted course of revolutionary struggles. It has now developed into a powerful combined armed force, comprising ground troops, navy, air force, strategic missile units, and other services. Especially during the historic changes marked by reforms and opening up, the whole Army, officers and men alike, have been working in unity, advancing while surmounting difficulties, and developing while maintaining stability. The Army has made new headway in its revolutionization, modernization, and regularization. While making a strategic change in the thinking that guides the construction of the Armed Forces, the whole Army has accomplished the formidable task of restructuring itself and reducing the number of troops by one million. Placing education and training in a strategic position, it has upgraded the Armed Forces' military proficiency and heightened its political consciousness, achieving new progress in the Armed Forces' political construction by energetically intensifying and improving its political work. As a result of attaching great importance to the building of leading groups and cadres' ranks, the cadres have become more revolutionary, younger in average age, better educated, and professionally more competent. Thanks to the promulgation of a series of orders, regulations, and laws, operations in various fields have become more institutionalized and standardized. Remarkable successes have also been achieved in improving logistical services, national defense research, and building up the reserve forces. All this has profoundly changed the outlook of the Armed Forces and laid good foundations for future development.

History proves that the past 63 years were a period in which the PLA fought loyally and exceptionally for the interests of the nation and the people, a period in which it has triumphed over all odds and developed into a strong army, and a period in which it has made enormous sacrifices and rendered immortal contributions to safeguarding and building the motherland and preserving world peace.

The fact that the PLA has developed into the strong Army it is today should be attributed primarily to Comrade Mao Zedong and other revolutionaries of the older generation. Combining the basic Marxist and Leninist theories with the actual state of armed struggle and Army building in China and pooling the wisdom of the whole party and the whole Army, the Mao Zedong Military Thought that has been created has enriched immensely the treasure vault of Marxist military theory. Creatively applying the military doctrines based on Marxism-Leninism-Mao Zedong Thought, Comrade

Deng Xiaoping advanced a series of principles for Army building during the new period, thus charting the course for the modernization of the Armed Forces. These are our precious spiritual wealth and the guide for Army building, and we must always uphold them and pass them on from one generation to another.

Proceeding from China's actual state, the 13th Party Congress clearly set the basic line of focusing on economic construction, upholding the four cardinal principles, and persisting in reform and opening to the outside world. This is an enrichment and development of the theory of scientific socialism. Guided by the basic line, people throughout the country are uniting as one in surmounting difficulties and marching forward victoriously along the course of building a Chinese-style socialist society. Now China is in a crucial period of historical development, and whether or not we can boost our national economic development has a close bearing on the prosperity or decline and weal or woe of the Chinese nation. While our socialist modernization drive needs a stable environment, we must have a powerful Army and strong defense. Today, peace and development remain two major themes in the world, but even as the world situation is becoming more relaxed, it has become even more turbulent and complex. Hegemonism and power politics are still threatening world peace; international hostile forces will absolutely not renounce their scheme of carrying out peaceful evolution in China and subverting us; and class struggle will continue to exist for a long time within certain spheres in China. While the Armed Forces are powerful forces for resisting foreign aggression, defending China's territorial integrity and sovereignty and safeguarding the unification of our motherland, they are also essential for maintaining social stability at home. Thus, not only should we attach importance to and intensify Army building in times of war, but we should do the same when the situation is relatively peaceful. When we have a powerful Army compatible with the status of China, we will be able to deal with all contingencies calmly and remain invincible. The strength of our Army has a close bearing on the dignity, honor, security, and interests of the state and the people. We must, under the premise of subordinating ourselves to the overall needs of China's economic construction, actively expedite the modernization of our Armed Forces and continue to reinforce our great wall.

In building stronger Armed Forces, the most fundamental requirement is to uphold the party's absolute leadership over the Armed Forces. Only when they uphold party leadership can our Armed Forces always preserve their proletarian nature, uphold the objective of serving the people, and maintain a correct political bearing during complex struggles. The party's absolute leadership over the Armed Forces and the party's ideological and political work in the Armed Forces are political strengths peculiar to China's Armed Forces. During the new historical period, our people's Armed Forces must do an even better job in carrying forward their fine tradition of loyalty to the party and make sure they will always remain under the

party's absolute leadership. This fundamental principle for the construction of our Armed Forces must not waver under any circumstance.

Military-government and military-civilian unity is the source of our Armed Forces' invincibility and an important factor in social stability. We should cherish military-government and military-civilian unity as we would our eyes. The Armed Forces must carry forward their glorious traditions of supporting the government and cherishing the people, respect the government, love the people, and take an active part in socialist material and spiritual construction projects so as to create a good image among the people. Doing a good job in building the people's Armed Forces is a responsibility that should be shared by all party members and people of all nationalities throughout the country. In recent years, party committees and governments at all levels and mass organizations have demonstrated their concern and support for the construction in the Armed Forces, and they have been actively carrying out all forms of activities in support of the military and military families. These activities have been very helpful in boosting military morale and reassuring the soldiers. We should, on the basis of the successes we have achieved, do an even better job in this regard. We should regularly educate the people on national defense to heighten their defense consciousness so as to create in society the public opinion and the habit of caring about and cherishing the Armed Forces. We should actively support construction and reform in the Armed Forces, continue to do a good job in transferring cadres to civilian departments, demobilizing soldiers, and placing retirees. We should continue to do a good job in giving special care to disabled servicemen and family members of revolutionary martyrs and servicemen and earnestly help family members of martyrs, servicemen, and other special care recipients resolve practical problems concerning production and livelihood. We are convinced that when the military and the people are united as strongly as a rock under party leadership, there will be no difficulty which they cannot surmount and there will be no enemy which they cannot defeat, and that our cause will always be invincible!

Comrades, the party and the people trust the Armed Forces, and so the vast number of commanders and fighters in the Armed Forces must live up to the great expectations of the party and the people, clearly understand the historical responsibilities on our shoulders, and work more humbly, cautiously, and diligently. We must earnestly study Marxist theory, strive to heighten our political consciousness, and constantly increase our awareness of upholding the party's basic line so that we will become more capable of resisting the inroads of bourgeois liberalization and other decadent ideas and so that we can always measure up politically. We should carry forward the patriotic spirit and the revolutionary heroic spirit, enjoy hard work, and dare to die for the sake of peace in our country and happiness for the people. We should work hard to learn modern military science and technology, train hard to toughen our skills,

and become more combat ready in all fields. We should have a stronger sense of organizational discipline, promote greater unity between officers and men, and maintain a high degree of centralization in the Armed Forces.

While marking the 1 August Army Day, we are fully confident in the future of our motherland and the future of the Armed Forces. Let us rally closely together and march forward courageously toward the set targets.

If the Army and the people are united as one, who in the world can match them!

### **Yang Baibing Meets 'Dual Support' Personnel**

*OW3107134490 Beijing Television Service  
in Mandarin 1000 GMT 31 Jul 90*

[From the "National News Hookup" program]

[Text] [Video begins with shots showing Yang Baibing greeting representatives] This morning, Yang Baibing, secretary general of the Central Military Commission and director of the General Political Department of the People's Liberation Army [PLA], and other leading comrades of the Ministry of Civil Affairs and the PLA General Political Department, had a meeting with representatives of advanced dual support teams [support the Army and give preferential treatment to families of revolutionary soldiers and martyrs; support the government and cherish the people] from across the country.

[Video shows leaders and representatives sitting around a conference table, showing each representative in turn] The twelve comrades invited by the Ministry of Civil Affairs and the PLA General Political Department to take part in activities in Beijing to mark the 63d anniversary of the founding of the PLA were: (Yu Peifa), vice mayor of Daqing City; (Li Xiuji), deputy secretary of the Xiamen City CPC Committee; (Liu Guiling), secretary of Beijing's Xicheng District CPC Committee; (Song Xiwu), secretary of Shandong's Tangdao County CPC Committee; (Zhang Shifan), assistant to the manager of the No. 1 Automobile Factory; (Li Zuoyu), director of the People's Armed Force Department of Shanghai's Hudong Shipyard; (Kuai Waiceng), deputy director of the Political Department of a certain unit of the Beijing Military Region; (Zhang Zixiang), instructor of a certain unit of the Shenyang Military Region; (Huang Xianyong), acting company commander of a certain unit of the Nanjing Military Region; (Tang Zongceng), engineer of a certain unit of the Navy; (Huang Zhiping), political commissar of the (?10th Detachment) of the Air Force Academy of Command; and (Wu Zhengming), commander of a squadron of a certain unit of the Qinghai Provincial Armed Police Corps.

[Video shows Yang Baibing, with a cigarette in his hand, speaking to meeting participants] Yang Baibing and other leading comrades attentively heard experiences of and suggestions made by representatives at the meeting. On behalf of the Central Military Commission and the three PLA general departments, Yang Baibing expressed

his thanks to CPC Central Committee and state organs, and governments at all levels, for their concern and support for the military, and hoped that "dual support" work would be further promoted in the new situation. [Video closes with shots showing Yang Baibing presenting certificates to representatives]

### **Chi Haotian on Grass-Roots Units**

*OW3107133790 Beijing XINHUA Domestic Service  
in Chinese 0842 GMT 31 Jul 90*

[By correspondent Zhang Dongwen (1728 2639 2429) and reporter Hu Nianqiu (5170 1628 4428)]

[Text] Beijing, 31 Jul (XINHUA)—Chi Haotian, Chief of General Staff of the People's Liberation Army [PLA], at the forum of representatives of outstanding grass-roots officers and soldiers sponsored today by the General Staff Headquarters, said: Leaders at all levels must fully grasp the significance of the Central Military Commission's decision to strengthen grass-roots units, and cultivate and bring up excellent officers and soldiers who devote themselves to grass-roots units and perform meritorious service.

He said: Strengthening grass-roots units is an important part of the effort to build up the Army's fighting capacity. "Devoting oneself to grass-roots units and performing meritorious service" reflects the advanced thinking and deeds of outstanding grass-roots officers and soldiers. It also is what the Military Commission and the headquarters primarily demand and expect from all officers and soldiers. Every young soldier with ideals and aspirations should make grass-roots units his arena where he can work to realize his revolutionary ideals and perform meritorious service for the motherland and the people.

Chi Haotian said: Devoting oneself to making a career in grass-roots units means that one is willing to bear hardships, commit himself, and make sacrifices. This represents the very thing that revolutionary soldiers correctly pursue, and their noble professionalism. He expressed the hope that grass-roots officers and soldiers will set an example of vigorously progressing and devoting themselves to national defense in a down-to-earth manner.

Thirty or more grass-roots officers and soldiers attended the forum. The majority have been serving in frontier regions, highland, or grass-roots units for more than 10 years, with some serving as long as 25 years in grass-roots units. They reported at the forum how they took root in these units, dedicated their lives to national defense, and performed meritorious service.

### **Qin Jiwei Praises PLA Contributions**

*OW3107121490 Beijing XINHUA in English  
1157 GMT 31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—The 63rd founding anniversary of the Chinese People's Liberation Army (PLA) was marked at a reception given by the Ministry of National Defense here today.

Among 400 people present on the occasion were General Qin Jiwei, state councillor and minister of national defence, General Chi Haotian, chief of the PLA General Staff, and General Cho Namgi, head of the PLA General Logistics Department.

Foreign military attachés were also present at the reception in the Great Hall of the People.

Proposing a toast, Qin said that in the past year the PLA has made important contributions in defending China's security and stability.

The PLA has firmly implemented the Chinese Communist Party's basic line of concentrating on economic construction, deepening reform and continuing to open to the outside world and adhering to the four cardinal principles (party leadership, Marxism-Leninism-Mao Zedong Thought, socialist road and the people's democratic dictatorship).

The PLA has made new progress politically and militarily as a result of carrying out the principles, policies and tasks set by the Central Military Commission, the minister said.

"Practice shows that the PLA is a people's Armed Forces under the absolute leadership of the party, a loyal defender of socialism, a strong pillar of the people's democratic dictatorship and the iron- and steel great wall of the motherland," the general said.

Discussing the PLA's tasks, Qin said that the PLA shoulders a great historic mission now when China is undergoing a very important period of development.

He described the present-day world situation as "changing constantly and highly complicated" and urged the PLA to remain high vigilant.

"Under the leadership of the party Central Committee and the Central Military Commission headed by Comrade Jiang Zemin, we must carry forward the glorious tradition of being loyal to the party, the motherland and the people, and build our Army politically. We must try to bring even closer the relations between officers and men, and the Army's ties with the government and the people. We should serve the people wholeheartedly and see to it that the PLA is always qualified politically," he said.

The PLA will constantly enhance its combat capabilities, do a good job with military exercises, improve the weaponry, strengthen logistics work, implement relevant decrees and regulations, and carry out strict Army discipline, thus raising the Army's standards of revolutionization, modernization and regularization to a new level, he said.

"We are determined to perform new feats for the safeguarding of the motherland's territorial waters, space and land, of the steady development of modernization and reform, and of world peace," he said.

### PLA's 'Rapid Reaction Unit' Gives Demonstration

OW2807041890 Beijing XINHUA Domestic Service  
in Chinese 0601 GMT 27 Jul 90

[By reporter Wu Dongfeng (0702 2639 1496) and correspondent Zhang Zhimeng (1728 2535 3718)]

[Text] Guangzhou, 27 Jul (XINHUA)—A new rapid reaction unit made its heroic appearance this morning in Guangzhou City by giving a demonstration of its unique training and militant bearing.

Several hundred party, government, and Army leaders watched the demonstration with great interest. Among them were Han Huazhi, deputy chief of General Staff of the People's Liberation Army [PLA]; Zhu Dunfa and Zhang Zhongxian, commander and political commissar, respectively, of the Guangzhou Military Region; and Lin Ruo, secretary of the Guangdong provincial party committee.

This unit has diversified combat capabilities and can fulfill special fighting tasks. Its basic characteristics are great capabilities, high flexibility, good equipment, and high mobility. It can launch attacks from airplanes as well as ride speedboats to fight on water. It is not only proficient in the use of various kinds of weapons and can shoot with unfailing accuracy, but also has unique martial art and qigong [3049 0501; a special kind of Chinese martial art] skills that can take the lives of the enemies. It is not only capable of operating all kinds of motor vehicles in cities, but also can survive in remote and densely forested mountains. All officers and men have undergone intensive and all-around training to meet the requirement that they must be expert at one thing and good at many. They all possess such special skills as hand-to-hand combat, explosives, parachuting, climbing, wilderness survival, and carrying out surprise attacks in cities, and have a relatively high level of combat ability.

### PLA Makes Progress in Ruling by Law

OW3107220890 Beijing XINHUA Domestic Service  
in Chinese 0236 GMT 22 Jul 90

[By reporter Cao Guoqiang (2580 0948 1730)]

[Text] Beijing, 22 Jul (XINHUA)—This reporter recently learned from departments concerned of the Central Military Commission that, since the Third Plenary Session of the 11th CPC Central Committee, the People's Liberation Army [PLA] has made marked progress in building a legal system, that the Central Military Commission's principle of managing the Armed Forces by law has been actively carried out, and that the military has made a new step forward in regularizing its troops.

China's Armed Forces have been doing military legislative work according to national defense needs and special requirements for building the Armed Forces in the new period. So far, they have initially drawn up plans on and established a system of military laws and regulations, which mainly includes all kinds of rules and regulations; have drawn up a five-year plan for central

military legislation; and have cultivated a corps of cadres for drafting laws and regulations. According to information provided by the Legal Affairs Bureau of the Central Military Commission, 60 percent of the laws and regulations currently enforced among the Armed Forces were enacted after 1979. Since the beginning of this year, following the promulgation of the "Law Governing the Protection of Military Installations of the People's Republic of China," Jiang Zemin, chairman of the Central Military Commission, has signed orders to promulgate eight important military laws and regulations, including regulations applicable to all armed services, the "Provisional Regulations on the Legislative Procedures of the Chinese People's Liberation Army," the "Chinese People's Liberation Army's Military Training Regulations," and the "Regulations on the Management of Weaponry of the Chinese People's Liberation Army." Under the guidance provided by the military training regulations and other important laws and regulations, a new generation of training guidelines and details for implementing these guidelines by all armed services are being compiled and revised. Currently, the training guidelines for the Army and Air Force have been completed, and a part of them have been put into force.

While paying attention to military legislative work, since 1988 all large units of the Armed Forces have reviewed thoroughly all military laws and regulations promulgated since the founding of the People's Republic. So far, the Armed Forces have sorted out more than 12,000 laws and regulations of all kinds, and compiled over 5,000 of them that are still valid. It was learned that the "Collection of Military Laws and Regulations of the People's Republic of China" and "Collection of Military Regulations of the Chinese People's Liberation Army," the first large-scale book series on military laws and regulations of the Chinese Armed Forces, which consists of 26 million words in 39 books in 19 volumes, will be published around the national day period this year, and will be distributed to all military units.

To ensure effective enforcement of all kinds of laws and regulations, the Armed Forces, since 1984, have stepped up efforts to build a corps of legal advisers, and have launched campaigns to popularize legal knowledge. In popularizing legal knowledge, all military units have organized officers and men to study criminal, civil, and economic laws. They have laid special emphasis on studying military laws and regulations, as well as laws and regulations that are closely related to their specific work. Not long ago, the General Staff Department of the PLA organized a whole-Army program to study regulations applicable to all armed services, to improve the ability of all units to manage troops and weaponry according to established laws and regulations. All military districts and local governments have cooperated in working out specific regulations for implementing applicable military laws and regulations.

Managing troops according to the law has contributed effectively to troop regularization. Despite a shortage of training funds, all units have managed training

according to the law, and have carried out training programs according to established regulations, ensuring the completion of all training and combat-readiness work. According to surveys, the great majority of organs and grass-roots units currently are able to maintain a regular order of combat readiness, training, and daily life. The readiness percentages of all kinds of equipment have been raised, accidents caused by human errors have decreased, and the number of units whose fundamental work has reached the standards of the "Guidelines" have increased year by year.

#### **PLA School Offers Master of Military Science**

*OW2907203890 Beijing XINHUA Domestic Service in Chinese 0143 GMT 21 Jul 90*

[By correspondent Jing Shuzhan (2529 2118 1455) and reporter Jia Yong (6328 3057)]

[Text] Beijing, 21 Jul (XINHUA)—Thirty graduate students at the National Defense University recently passed their dissertation defense and will become China's first group of graduates with Master of Military Science degrees.

The top military school of our country enrolls graduate students to raise the theoretical level of China's military commanders, instructors, and researchers. Some of those graduate students were commanders and staff officers of grassroots units, and others were instructors of schools and researchers of research organizations. During the three years in the National Defense University, they have finished 155 courses and written 20 monographs and more than 100 academic papers. Some of them took part in tackling difficult problems for the Seventh Five-Year-Plan, and in appraising the feasibility of some key projects of the People's Liberation Army [PLA]. Their dissertations deal with a study and analysis of the PLA's strategy, campaigns, and trend of development. With brand new topics and thorough analysis, some of the dissertations have filled blanks in our military science. It is reported that the 30 graduates with Master of Military Science degrees will be assigned to high-level organs and research departments in the PLA.

#### **PLA Modernizes Field Telecommunications System**

*HK3107115190 Beijing JIEFANGJUN BAO in Chinese 13 Jul 90 p 1*

[Report by Geng Guanmin (5105 7070 2404) and correspondent Liu Guohua (0491 0948 5478); "PLA Makes New Progress in Modernizing Field Telecommunications System"]

[Text] The first military exercise using the field comprehensive communications system by a certain group army, organized by the Beijing Military Region and entrusted by the General Staff Headquarters, concluded successfully on 8 July in a location in north China. The maneuver signifies a new progress in the modernization construction of our Army's field communications.

In order to meet the need of communications of modern warfare, over the past several years, the departments concerned have tried courageously in explorations on the basis of the currently available equipment in our Army, and invented the "field comprehensive communications system," which is basically suited to the characteristics of modern warfare. The system uses comprehensively, various communication networks such as radio, wire, and satellite etc, as well as the terminal facilities such as telephone, telegraph, fax, and micro-computer etc, to form a multi-level, multi-means, multi-channel, and multi-functional communications system.

In order to explore and discuss the problem of organizing and using the field comprehensive communications system in battle, and to examine the technological targets and function of the system, during the exercise, the Army group carried out drills and tests for guaranteeing communications under different conditions during the combat practice for eight combat topics; and explored the method for organizing units (detachments) to perform communication duties within a regional network. Communication departments at various levels organized and planned the programs, contents, and methods of the field comprehensive communications system.

This reporter drove to the exercise ground, which was as big as several thousand square kilometers, and saw the commanders at the field command posts commanding long-distance combat through the communication net, just like making phone calls within a city. Combat orders were sent in just a few seconds. The past phenomenon of numerous command posts at various levels plus the busy running trucks—a great but bulky scene—has gone. What this reporter saw was that from the group army to the divisional command posts, only a few pieces of light and modernized equipment were carried, and they were adequate for communication, command, and liaison. It was an enlightening scene.

## Economic & Agricultural

### Foreign Exchange Regulations, Implementation Rules

#### 1989 Regulations Reissued

HK3007092390 Beijing GUOJI SHANGBAO in Chinese  
5 Jul 90 p 2

[“Regulations for Foreign Exchange Control for Investment Abroad”; these regulations were previously published in the 6 April 1989 China DAILY REPORT]

[Text] (This law was approved by the State Council on 5 February 1989 and promulgated by the State Administration of Foreign Exchange Control on 6 March 1989)  
Article One: This law is made to promote economic and technological cooperation with foreign countries, strengthen foreign exchange control for investment abroad, and maintain balance between international expenditure and revenue.

Article Two: The investment abroad mentioned herein refers to the various enterprises established abroad; the purchase and holding of shares; and the activities such as production and operations (hereinafter called the investment enterprise abroad) engaged in and operated by companies, enterprises, or other economic organizations (excluding foreign investment enterprises) registered in China.

All matters concerning investment abroad will be handled according to the regulations of this law.

Article Three: Before applying for the examination and approval of an investment enterprise abroad to a state supervisory department, a company, enterprise, or economic organization which plans to make an investment abroad, should supply the Foreign Exchange Control Department with information on how foreign exchange is controlled in the country (region) where the investment enterprise is to be established, and should submit proof for the foreign exchange supply for the investment. The Foreign Exchange Control Department will study the risks involved in the investment and examine its foreign exchange supply and then make a written report on the examination results within 30 days.

Article Four: A company, enterprise, or economic organization (hereinafter called the investor abroad), when granted approval on its investment abroad, should register with the Foreign Exchange Control Department and apply for the transfer of foreign exchange out of the country upon presentation of the following documents:  
(1) A license issued by a state supervisory department;  
(2) A written report issued by a Foreign Exchange Control Department on the risks involved in the investment and on its foreign exchange supply; and,  
(3) The contract on the investment or other documents substantiating the fact that the investor at home should transfer an amount of foreign exchange out of the country.

When proceeding with the formalities for the registration of the aforementioned funds and for the transfer of foreign exchange out of the country for an investment, the Foreign Exchange Control Department should cross-examine the foreign exchange supply of the investor at home for the relevant investment abroad.

Article Five: When applying for the registration of an investment enterprise abroad, the investor abroad should deposit a fund guaranteeing the inflow of profits from abroad (hereinafter called the guarantee fund) equivalent to five percent of the amount of the foreign exchange to be transferred out of the country. The guarantee fund should be deposited in the special bank account designated by the Foreign Exchange Control Department. When the profits transferred into the country reach the amount of the foreign exchange transferred out, the guarantee fund will be returned to the investor. Interest for the guarantee fund will be calculated according to state fixed rates and paid to the investor at home.

If the investor at home should have difficulty in depositing the guarantee fund, it can deliver a written promise

to the Foreign Exchange Control Department, thus guaranteeing that the investment enterprise abroad will transfer into the country as scheduled profits or other foreign exchange earnings.

**Article Six:** The profits and other foreign exchange earnings the investor at home earns from his investment abroad must be transferred into the country within six months after the end of the fiscal year of the enterprise's place of establishment. They must be settled or retained as spot exchange according to relevant state regulations and must not be used for other purposes or deposited abroad without the approval of the Foreign Exchange Control Department.

**Article Seven:** The profits or other foreign exchange earnings shared by the investment enterprise abroad with the investor at home must be retained in their entirety for five years from the date the investment enterprise is established. A portion of them can be fixed for retention according to the state's relevant regulations after the five-year period.

**Article Eight:** The investment enterprise abroad can raise funds for itself according to its operational needs. Nevertheless, its investor at home must not guarantee it in any form without the approval of the State Administration of Exchange Control.

**Article Nine:** The fiscal accounts reports of the investment enterprise abroad, including the balance sheet and the statement of profit and loss, must be submitted to the Foreign Exchange Control Department by its investor at home within six months after the fiscal year of the place where the investment is made expires.

**Article Ten:** If an investment enterprise should change its capital, its investor at home should report the fact in advance to the department that has previously examined and approved the investment, and should apply for reapproval. Relevant reports must be submitted to the Foreign Exchange Control Department for reference purposes.

**Article Eleven:** If an investor at home should transfer the shares of his investment enterprise abroad, he should submit to the Foreign Exchange Control Department a report on share transfer and must transfer the foreign exchange earnings into the country within 30 days after the transfer is concluded.

**Article Twelve:** If an investment enterprise abroad should stop operation or close down according to the laws of the country (region) where it is established, its investor at home should transfer the foreign exchange assets into the country in which he legally possesses them. He must not use them for other purposes or deposit them abroad.

**Article Thirteen:** If an investment enterprise fails to transfer profits or other foreign exchange earnings according to its profit plan, its investor at home should submit to the Foreign Exchange Control Department a

report explaining why the enterprise fails to fulfill the profit plan as scheduled or a report on the loss of business. Without good reason, the Foreign Exchange Control Department has the right remove a corresponding amount of foreign exchange from the guarantee fund and settle it and sell it to the state. If the investment enterprise has not opened an account for the guarantee fund, a corresponding amount will be deducted from the foreign exchange retained by the investor at home. In any case, the maximum amount to be deducted must not exceed 20 percent of the amount of foreign exchange transferred out of the country.

**Article Fourteen:** If an investment enterprise contravenes Articles Six, Eleven, and Twelve of this law, the Foreign Exchange Control Department should order the investor at home to recall funds from abroad within a limited period. Furthermore, it can place a penalty in terms of foreign exchange ranging from 10 percent to 20 percent of the funds that should be recalled.

If an investment enterprise contravenes Articles Nine and Ten of this law to a serious degree, the Foreign Exchange Control Department can impose a fine on the investor at home not exceeding 100,000 yuan.

If an investment enterprise contravenes any of the Articles other than the above in this law, he will be punished according to the "Specifications on Punishment for Contravening the Rules Governing Foreign Exchange Control."

**Article Fifteen:** For those investment enterprises established abroad prior to the promulgation of this law, their investors at home should re-register for them according to the relevant regulations of this law, and should supply the Foreign Exchange Control Department with relevant information within 60 days after this law takes effect. They should transfer their profits into the country according to relevant regulations.

**Article Sixteen:** Interpretation of this law rests with the State Administration of Exchange Control.

**Article Seventeen:** This law takes effect from the date it is promulgated.

#### Rules for Implementation Promulgated

HK3007103390 Beijing GUOJI SHANGBAO in Chinese  
5 Jul 90 p 2

[“Rules for Implementation of the Regulations for Foreign Exchange Control for Investment Abroad, Promulgated by the State Administration of Exchange Control on 26 June 1990”]

[Text] I. The following rules are formulated for the implementation of the “Regulations for Foreign Exchange Control for Investment Aboard,” which were approved by the State Council.

II. The State Administration of Exchange Control and its branches in various provinces, autonomous regions,

municipalities, cities with a separate listing in state planning, and special economic zones (hereinafter called the Foreign Exchange Control Department) are the administrative organs handling relevant foreign exchange matters of investment abroad, and are responsible for the examination of the risks involved in an investment abroad and of its foreign exchange supply. They are also responsible for the supervision and management of transferring out of and into the country funds for investment abroad, and of profits earned from the investment and other foreign exchange earnings transferred into the country.

III. The investment abroad mentioned in the "Regulations for Foreign Exchange Control for Investment Aboard" refers to the fact that an investor at home transfers into another country foreign exchange, equipment, raw materials, industrial property rights, and the like; and establishes various sorts of enterprises, or purchases shares, holds shares, engages in production, and carries out business activities.

IV. If an investment abroad is jointly run by two or more investors at home (hereinafter called several investors), they shall proceed with the relevant formalities with the Foreign Exchange Control Department according to the following specifications:

(1) Of the several investors within the same administrative area, the one holding the most of shares should proceed with the relevant formalities with the local Foreign Exchange Control Department.

(2) If several investors come from different administrative areas, they shall choose one through negotiation to apply to the local Foreign Exchange Control Department for the examination of risks involved in an investment. This Foreign Exchange Control Department should then send a copy of the examination results to the Foreign Exchange Control Departments where there are other investors. For such matters as the examination of foreign exchange supply and the funds to be transferred out of the country, various investors should proceed with the relevant formalities with their local Foreign Exchange Control Departments.

V. Before applying to the Ministry of Foreign Economic Relations and Trade (MOFERT) or to the departments authorized by the MOFERT for the examination and approval of an investment abroad, an investor at home, who intends to use foreign exchange for the investment abroad, should supply the following information and proof to ensure that the Foreign Exchange Control Department can conduct examinations into the risks involved in the foreign exchange investment and into the supply of foreign exchange:

(1) The current laws and regulations of the country (region), where the investment is made, governing foreign investment such as the investment law, company law, and tax law;

(2) Foreign exchange control regulations currently in force in the country (region) where the investment is made, and other regulations governing the investment shares, profits, and other legally earned profits of foreign investors;

(3) An analytic report on the economical feasibility of the investment item verified by the office of a chartered accountant of the country (region) where the investment is to be made;

(4) A certificate verifying the credibility of the joint venture or partners, and verifying that the investment item is in accordance with the laws or that it is entitled to occupational benefits issued by a lawyer's office in the country (region) where the investment is made.

(5) A certificate issued by the supervisory department of the investor at home verifying the foreign exchange supply for the investment;

(6) A plan for the returns of the investment;

(7) An examination report on the investment or on the confirmation of relevant information issued by our country's embassy to the relevant country.

(8) Other documents as required by the Foreign Exchange Control Department.

If an enterprise should purchase a company or enterprise abroad, it must also supply information regarding the operations of the company or enterprise over the past three years or other relevant financial reports, in addition to the following [as published] material.

VI. Before applying to the MOFERT or to the departments authorized by the MOFERT for the examination and approval of an investment abroad, an investor at home, who intends to invest abroad in the form of equipment, raw materials, and industrial property rights, should supply information on the foreign exchange value of the equipment, raw materials, and industrial property rights, in addition to the relevant information as required to be submitted in rule V.

VII. The Foreign Exchange Control Department should write a report on the examination of the risks involved in an investment and its foreign exchange supply within 30 days after the investor at home has supplied the aforementioned material as required.

First, the examination of the risks involved in a foreign exchange investment is comprised of the following:

(1) The creditworthiness of the country (region) where the investment is to be made and the grade of the investment risk;

(2) The laws and regulations of the country (region) where the investment is to be made on the relevant investment item;

(3) The control on foreign exchange in the country (region) where the investment is to be made;

(4) The feasibility of obtaining profits during the period.

Second, the examination of foreign exchange supply is comprised of the following:

The foreign exchange used for an investment abroad is limited to the foreign exchange the investor at home possesses. He must not use other foreign exchange without the approval of the State Administration of Exchange Control.

**VIII.** When an investment item is officially approved, its investor at home should register with the Foreign Exchange Control Department and apply for the transfer of foreign exchange out of the country for the investment upon submission of the material in keeping with Article Four of the "Regulations for Foreign Exchange Control for Investment Aboard." The Foreign Exchange Control Department will create a file of the investment enterprise to be established abroad for effective supervision and management.

**IX.** Before applying for the transfer of the foreign exchange out of the country for an investment abroad, an investor should deposit a guarantee fund to ensure that it will transfer its profits into the country. The guarantee fund will be deposited in a special bank account designated by the Foreign Exchange Control Department.

If an investor at home should have difficulty in depositing the guarantee fund, he can make a written promise upon the approval of the State Administration of Exchange Control guaranteeing that the investment enterprise abroad will transfer into the country as scheduled profits and other foreign exchange earnings.

**X.** If an investor should invest abroad in the form of equipment, raw materials, or industrial property rights, he should comply with relevant formalities in keeping with the following demands:

First, for making an investment abroad in the form of equipment, raw materials, or industrial property rights, the investor at home will be required by the Foreign Exchange Control Department to deposit a guarantee fund, which guarantees that it will transfer into the country its profits, whose amount will be fixed according to specific situations; or he will be required to make a written promise.

Second, for making an investment abroad in the form of equipment, raw materials, industrial property rights, or a portion of foreign exchange, the investor at home will have to deposit five percent of the foreign exchange to be transferred out of the country as a guarantee fund for the transferring in of profits. Equipment, raw materials, and industrial property rights will have to be dealt with according to regulations governing the aforementioned funds.

**XI.** The foreign exchange belonging to China used in the investment abroad must not be deposited abroad in the name of an individual. If he must open an account in his own name for a special reason, he must first report to the State Administration of Exchange Control and obtain its approval.

In principle, the investor is not allowed to hold valued bonds in his own name unless the laws of the specific place permits him to do so. If he must hold them in his own name, he must obtain the relevant notarization of the real beneficiary of the valued bonds through a local lawyer's office, and report the fact to the Foreign Exchange Control Department for reference.

**XII.** After the investment enterprise has registered and opened an account in the relevant place, he should supply, through the investor at home, the Foreign Exchange Control Department for reference relevant material such as the local registration certificate, the bank with which the enterprise has opened an account, and the account number.

**XIII.** When an investment abroad plans to stop operation or dissolve according to laws, its investor at home should send to the Foreign Exchange Control Department for reference relevant information such as the settled balance sheet, the list of assets, and the asset estimate. Then he must transfer into the country foreign exchange assets, to which China is entitled, within 30 days after its foreign exchange assets have been settled. He must not use them or deposit them abroad without the approval of the Foreign Exchange Control Department.

**XIV.** If the investor needs to compensate for the portion due with the profits and other foreign exchange earnings which China is entitled to and which is earned by the investment abroad, he must first have the approval of the Foreign Exchange Control Department. When the approval is granted, its investor at home should deposit a guarantee fund equivalent to five percent of the amount of funds that have been increased.

If the Chinese side of an investment abroad needs to increase the investment funds for the investment, it must report to the Foreign Exchange Control Department for the examination of the risks involved and the supply of foreign exchange before reporting the same to the department that has previously approved the investment. It must also state the reason for the fund increase and supply information about the operational situation of the enterprise over the years. When approval is granted, its investor at home should transfer in and deposit five percent of the amount increased as a guarantee fund.

**XV.** The profits and other foreign exchange earnings by the investor at home through the investment abroad must be transferred into the country and must be converted. The converted amount of foreign exchange must be retained by the investor at home in its entirety for five years from the date the enterprise is registered in the country. After the five-year period, 20 percent of the amount will have to be turned over to the state and 80 percent will be retained by the investor at home. The funds must not be used for other purposes or deposited abroad without the approval of the State Foreign Exchange Control Department.

The profits and other foreign exchange earnings earned from investment in the form of equipment, raw materials, and industrial property rights will be retained according to the above rule. A definite proportion of spot exchange can be retained with the approval of the Foreign Exchange Control Department.

**XVI.** The financial report on the investment enterprise abroad submitted to the Foreign Exchange Control

Department by the investor at home should have been verified by the office of a local chartered accountant.

XVII. The Foreign Exchange Control Department has the right to supervise and examine the foreign exchange expenditure and income of the investment item abroad. Its investor at home should supply relevant information and must not refuse to do so or conceal them.

XVIII. If an investor at home should entrust someone else to make an investment abroad, he must report this to the Foreign Exchange Control Department and must first obtain the approval of its supervisory department. He must also submit to the Foreign Exchange Control Department a letter of attorney, and a certificate verifying the trustworthiness of the trustee issued by a lawyer's office in the place where the trustee resides. Funds must be transferred out of the country according to the "Regulations for Foreign Exchange Control for Investment Abroad" and the relevant rules herein. The investor must regularly supply information about how the trustee uses the funds, how he operates the business, and must report on the profits and the financial status.

XIX. An investment item that has not undergone the examinations into the risks involved and its foreign exchange supply, its investor at home must not transfer foreign exchange out of the country, and the bank should supervise and administer such a matter.

XX. If an investor fails to register with the Foreign Exchange Control Department and deposit a guarantee fund guaranteeing the inflow of profits, the Foreign Exchange Control Department can place on him a penalty not exceeding 100,000 yuan.

XXI. If an investor at home commits one of the following acts, he will be punished by the Foreign Exchange Control Department according to the "Regulations for Foreign Exchange Control for Investment Abroad," and "The Specifications for Punishment for Contravening Foreign Exchange Control:"

- (1) If an investor fails to apply as required for the examination into the risks involved in an investment enterprise abroad and into the supply of foreign exchange;
- (2) If an investor transfers foreign exchange out of the country without the approval of the Foreign Exchange Control Department;
- (3) If an investor fails to transfer as scheduled into the country the profits and other foreign exchange earned from the investment abroad, or uses the funds or deposit them abroad without the approval of the Foreign Exchange Control Department;
- (4) If an investor fails to submit a fiscal accounts report to the Foreign Exchange Control Department as scheduled;
- (5) If an investor changes the capital of the investment enterprise abroad without the approval of the supervisory department at home.
- (6) If an investment enterprise deposit foreign exchange funds abroad in the name of an individual without prior approval.

(7) If an investor at home fails to transfer the foreign exchange earnings into the country as scheduled after transferring the shares of his investment enterprise or after clearing accounts upon its bankruptcy according to local laws.

XXII. If an investor at home fails to fulfill profits according to his investment plan without an appropriate reason (such as a political risk and a natural disaster), the Foreign Exchange Control Department will handle such a case according to the Article Thirteen of the "Regulations for Foreign Exchange Control for Investment Abroad."

XXIII. If a financial organization at home should transfer the foreign exchange for the investment of an investor at home without the approval of the Foreign Exchange Control Department, the Foreign Exchange Control Department can place a penalty of 100,000 yuan on it.

XXIV. These rules are applicable to the new investment activities of an enterprise abroad.

XXV. Interpretation of these rules rests with the State Administration of Exchange Control.

XXVI. These rules take effect from the date they are promulgated.

#### Zou Jiahua on Double Increase, Double Economy

OW3107091790 Beijing XINHUA Domestic Service  
in Chinese 1011 GMT 29 Jul 90

[Text] Beijing, 29 Jul (XINHUA)—The "double increase and double economy" campaign [campaign to increase production and practice economy and to increase revenues and retrench expenditures], which is a radical measure to raise economic returns, must be carried on for a long time to come, stressed Zou Jiahua, state councillor and minister in charge of the State Planning Commission, at a national conference on industrial production, which opened today.

Comrade Zou Jiahua said: We should mobilize the masses. We should first let the masses know the current situation, favorable conditions, difficulties, and problems of their factories as well as the demand for raising their factories' economic returns and then fully mobilize them to make suggestions. We should see to it that the broad masses of staff members and workers enhance their sense of responsibility as the masters of their factories and gear up their efforts to improve the various aspects of enterprise management through the development of the campaign to increase production and practice economy.

While developing the campaign to increase production and practice economy, it is necessary to make the products of their factories meet market demands and needs of consumers. In view of the sluggish sales of some products on the market, efforts should be made to adjust the product mix, develop new products, and raise product quality. Even for those products that are selling well, it is still necessary to conduct a market survey, make a

forecast of their sales in the future, and develop new products if required. Particular attention should be given to the demands of rural markets which supply the needs of 70 percent of our total population. We should also aim at the international market and increase our exports so as to earn more foreign exchange.

**Zou Jiahua stressed:** We should take the conservation of energy and reduction in material consumption as the key tasks of the "double increase and double economy" campaign. During the latter half of this year, the principal work in this regard is still to practice economy in using electricity, oil, coal, water, raw and other materials and to reasonably use heat energy. We should pay particular attention to energy conservation in principal energy-consuming departments and industries and in the eastern coastal areas, where there is a big gap between the supply and demand of energy. At the same time, we should cut irrational nonproductive expenditures. Scrapping and replacement of old motor vehicles should be viewed as a measure to save fuel and protect the environment. Now, the government has issued rules on compulsory replacement of old motor vehicles. All localities and departments should organize work forces to enforce these rules in a serious way. In addition, attention should be paid to the replacement of large and medium-sized tractors that are too old.

**Zou Jiahua pointed out:** Improving product quality is the key to raising the economic returns of enterprises. All localities and departments should grasp the improvement of product quality as a major task in developing the "double increase and double economy" campaign. It is necessary to persist in giving priority to quality, enhance the awareness of the staff members and workers about the importance of quality, and make perfect the quality supervision and examination system. Enterprises should make a success of all basic quality control work, institute a strict quality responsibility system, and put into effect a system of veto on product quality. Moreover, they should firmly implement a reward and punishment system for good and bad product quality and carry out campaigns to correct their product quality and reduce the losses due to shoddy products.

**In conclusion,** Zou Jiahua stressed: To develop an intensive and wide-scale "double increase and double economy" campaign, we must organize it well, have a good plan, and take effective measures. We should establish a responsibility system in this regard and fully mobilize the masses to increase production and practice economy and to make proposals for rationalization. We should also strictly enforce the system of reward and punishment so as to link the success or failure of the "double increase and double economy" campaign to the amount of benefits to be received by the enterprises and their staff members and workers.

### **Zou Jiahua on Industrial Production Guidelines**

*OW3107132490 Beijing XINHUA Domestic Service  
in Chinese 0518 GMT 30 Jul 90*

[By reporter Xu Yaozhong (1776 5069 0022)]

[Text] Beijing, 30 Jul (XINHUA)—The guidelines for our country's industrial production and transportation work during the latter half of this year are as follows: While continuing to persist in the control of the total volume and improve the method to do so, we should put emphasis on adjusting product mix, improving product quality, and increasing economic efficiency. In addition, we should further enliven the market, invigorate the flow of goods, and guard against the one-sided drive for high output so as to achieve a sustained, stable, and coordinated development of industrial production and transportation work and meet the targets set for this year. The above was pointed out by State Councillor Zou Jiahua at a national production work conference, which opened yesterday.

To carry out these guidelines, Zou Jiahua said that emphasis should be placed on the following eight aspects of the economic work during the latter half of this year:

Continued efforts should be made to enliven the market, invigorate the flow of goods, and increase the amount of currency withdrawn from circulation through the sales of commodities. At present, the question is not how fast production should grow. What is important is to speed up the cycling [xun huan 1789 3883] of the whole economy and make every effort to solve the problem of sluggish sales.

We should further clear up debts and reinvigorate the credit funds that have been tied up due to unpaid loans. All localities should make sure that they will fulfill on time their parts of the nationwide task of clearing up enterprise debts in accordance with the principle of "collecting payment by the enterprises concerned with assistance from banks and raising funds in all possible ways, including the use of commercial bills."

Great attention should be paid to the adjustment of product mix. In this connection, special policies with regard to energy and raw material supply, capital funds, and transportation service should be implemented so as to ensure the supply of means of agricultural production, brand-name high-quality durables, manufactured goods for daily use, petty commodities, energy, transportation service, raw and semifinished materials, basic industrial products, and intensively processed products of high added value for export, especially those products that are exported in large quantities.

Enterprise management should be further improved. A "double increase and double economy" campaign [campaign to increase production and practice economy and to increase revenues and retrench expenditures] with emphasis on conserving energy and cutting material consumption should be carried out in a down-to-earth way.

Further efforts should be made to uphold and improve the contract system. Contracts for 90 percent of the enterprises will expire this year. Enterprises in all localities should include work of continuing the contract system as a major task on their work agenda, achieve unity in understanding, and take positive and reliable steps to sign new contracts to succeed the old ones. They should continue to uphold the system of factory directors assuming full responsibility and make perfect the economic responsibility system within enterprises.

It is necessary to ensure safety in production and strengthen the management of equipment.

In accordance with the principle of adjustment, consolidation, transformation, and improvement, measures should be taken to give necessary support to village and town enterprises, assist them in solving their difficulties, and lead them to develop in a healthy way.

It is imperative to strengthen leadership over industrial production and transportation work, persist in the principle of building the socialist material and spiritual civilizations simultaneously, and beef up and improve ideological and political work for staff members and workers in light of the actual thinking in their minds with regard to reform, opening up, and production.

#### **Electronics Enterprises Study Improved Management**

*OW3107101490 Beijing XINHUA Domestic Service  
in Chinese 0544 GMT 21 Jul 90*

[By reporter Xu Yaozhong]

[Text] Beijing, 21 Jul (XINHUA)—[Words indistinct] attach high importance. After in-depth investigation and study, they came to the conclusion that at present the most striking aspect of low-level management in enterprises is the backwardness of field management. In this connection, the Ministry of Machine Building and Electronics resolved to make extra efforts in optimizing field management, to use two or three years to straighten out major production sites of large and medium-sized enterprises, to further upgrade the quality of our country's machinery and electronics products, to lower production costs, and to enhance enterprises' adaptability.

The work site takes up the lion's share of an enterprise's fixed and circulating funds. The whole process of production takes place at the work site. The image of an enterprise depends to a large extent on the level of field management. Because of this relationship, many enterprises treat field management as the central link in enterprise management and the foundation of management work. Field management, specifically speaking, must ensure a good job in three areas, that is, in the areas of basic, fixed location, and equipment management at the work site. Many enterprises take the approach of starting from strengthening technical management and from strictly enforcing technical discipline. Headed by the chief engineer of the plant, they establish a complete technical management system; they also set up a vertical

and a horizontal supervision system, which are both headed by plant directors. In such a system, the inspection department is responsible for vertical supervision and the management department is responsible for horizontal supervision. Many enterprises also design and draw up maps for management of location of tools and equipment at the work site. Workers' locations follow that of tools and equipment. Work appraisal is made of both workers and equipment. Many enterprises also introduce such field management to production, technology, and quality inspection departments. This system makes every worker at the work site love and care for equipment. This changes the past practice of putting the responsibility for managing equipment solely on the shoulders of a competent department. The system greatly improves the condition of equipment.

To promote the field management in machine-building and electronics enterprises, the Ministry of Machine Building and Electronics also sponsored a seminar in May on optimizing field management in enterprises. At the seminar, people from departments and bureaus of machine building and electronics from the nation's provinces, municipalities, and autonomous regions and relevant personnel from enterprises summed up and exchanged experiences in doing a good job in field management, in machine building, and electronics in the last several years; studied and discussed the significance and requirements for optimizing field management; and promoted the widespread and in-depth development of optimized field management work in the whole industry.

He Guangyuan, minister of machine building and electronics industry, affirmed in his speech the experiences of a number of enterprises in optimizing field management. He also made specific demands and arrangements for optimizing field management in machine building and electronics.

To bring about the constant deepening of field management in machine building and electronics enterprises, publishers of China's Machine Building and Electronics News also sponsored the activities of a knowledge contest on field management. The activities won warm support from machine building and electronics enterprises and from staff members and workers in those enterprises. Hundreds and thousands of contestants sent in replies. Chongqing's Jiang Ling Machinery Plant alone mailed out some 2,000 replies. Some enterprises even set up leading groups headed by plant directors to answer the questions of knowledge contest. The knowledge contest was turned into a good opportunity to educate staff members and workers on field management. It enhanced the awareness for field management and increase the sense of urgency and sense of responsibility to change the backward situation of field management in enterprises.

**Economic Indicators Mixed for First Half**

*HK0108033090 Beijing CHINA DAILY in English*  
1 Aug 90 p 2

[By staff reporter Huang Xiang]

[Text] Investment in China's economy staged a slow but sure comeback during the first half of 1990, but inefficiency still plagued many of the nation's industrial enterprises, according to figures released yesterday by the State Statistical Bureau.

Major economic indicators for the six-month period revealed a general rise in investment in fixed assets, bank loans, and wages, but a mediocre performance by enterprises in terms of economic efficiency.

Investment in State-owned enterprises advanced 4.2 percent to 74 billion yuan (\$15.74 billion), 3 billion yuan (\$638 million) more than during the same period last year.

Some 32.5 billion yuan (\$6.9 billion), or 70 percent in investment for capital construction, went to the energy, transport, and posts and telecommunications industries.

The three industries, along with raw material suppliers, also consumed 52 percent of the government investment for technological innovation during the half year.

Culture, education, public health, broadcasting, welfare, and scientific research also attracted increased investment.

Total investment in Shanghai, Guangdong, Liaoning, Jiangsu, Shandong and Beijing, came to 26.2 billion yuan (\$5.57 billion), accounting for 40 percent of the country's total.

Bank loans, the nation's another widely-quoted economic indicator, swelled to 1.3 trillion yuan (\$277 billion) by the end of June, 40 billion yuan (\$8.5 billion) more than last year.

Bank loans increased to all industries except agriculture. Loans to eleven provinces or regions increased by 2 billion yuan (\$425 million) or more, according to the Bureau.

In Guangdong, Liaoning and Shanghai, the increase averaged 5.23 billion yuan (\$1.11 billion) by the end of June.

The Bureau noted that more investment and bank loans were accompanied by a steady rise in salaries and wages.

Overall wages stood at 127.5 billion yuan (\$27.1 billion) in the first half of 1990, 9.5 percent higher than last year.

The actual increase in wages, taking inflation into account, was 7.9 percent.

Total wages in State-owned enterprises climbed by 10.5 percent and in collective-run enterprises by 4.1 percent.

Meanwhile, the Bureau noted, the proportion of wages attributable to bonuses fell, owing to economic readjustment.

Bonuses rose by a mere 2.9 percent nationwide during the period, with six provinces and regions experiencing an overall decrease.

Analysts said they were still troubled by continued inefficiency during the six months.

Labour productivity posted a modest decline of 0.18 percent compared with last year.

But the Bureau also noted a slight increase in May and June.

Rising production costs were widespread, and energy consumption remained a problem.

Enterprises also consumed an average 2.1 percent more energy than last year.

**Workers Earn Higher Wages in 1990**

*OW3107034490 Beijing XINHUA in English 0157*  
*GMT*  
*31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—The payment for Chinese workers and staff members totaled 127.5 billion yuan in the first half of this year, 9.5 percent higher over last year's same period, according to the State Statistics Bureau here today.

Deducting the price increase factor, the actual wage increase was 7.9 percent.

Compared with last year's same period, the pay in state-owned enterprises climbed by 10.5 percent and that of collective enterprises by 4.1 percent.

Meanwhile, consumption funds and bonus had been brought under control thanks to economic readjustment program. The bonus of the whole country rose by only 2.9 percent in the first half of this year.

**New Laws To Protect Marine Environment Noted**

*HK0108032890 Beijing CHINA DAILY in English*  
1 Aug 90 p 3

[By Zhu Baoxia]

[Text] Tough new regulations to protect China's marine and coastal environment will come into effect today under legislation intended to control and prevent pollution.

The regulations, the first of their kind in China, will mean approval for any proposed new industrial projects in coastal areas will be subject to assessments of their environmental impact.

Joint-ventures and foreign-funded projects are also subject to the same requirements, as stipulated in the

legislation, the Regulations on the Control and Treatment of Pollutants and the Regulations on Construction of Coastal Projects.

Construction of coastal projects that may cause sea pollution is banned under the regulations, which also require all coastal projects to adopt specific measures to prevent possible marine pollution caused by imported techniques or equipment.

Promulgated by the State Agency of Environmental Protection and approved by the State Council, the two sets of regulations are expected also to step up inspection and control over waste discharge into the sea by existing enterprises. Breaches of the regulations will result in fines for those responsible.

At present, the environmental condition of China's coastal areas is "generally satisfactory," according to Yu Yongquan of the agency's Marine Department.

But water near the mouths of rivers is severely contaminated, mainly by wastes from land-based industries.

Statistics show that the country now has more than 80,000 industrial units and mines along the 18,000-kilometre coastline. These discharge a daily total of more than 4.5 billion tons of industrial waste water into the sea.

Moreover, effluent from 127 rivers, some of which have been severely contaminated, also flows into the seas thus affecting the coastal environments.

The situation is being worsened by the rapid development of coastal industry and construction projects, which increase waste discharge into the sea, said Yu.

The regulations also require that environmental protection departments above county level in the coastal areas should be empowered to carry out inspection and control.

The regulations also require:

- Any units or individuals who discharge pollutants into seas or near the sea must report to and get the approval of the local environmental protection administration;
- No noxious, radioactive, liquid or volatile wastes may be stored in the open at designated waste storage sites;
- Discharge of radioactive wastes, oils, acids, alkaline and poisonous and disease-carrying liquid wastes is prohibited and;
- No one is allowed to pour wastes into cultivation areas for marine products or into other areas requiring special protection, such as sightseeing spots and places for salt production.

## East Region

### Jiangsu Leaders Attend Army Day Celebration

*OW0108093190 Nanjing Jiangsu Provincial Service in Mandarin 0915 GMT 31 Jul 90*

[Report by station reporter Tan Dongwu]

[Text] A gala meeting in celebration of the 63d founding anniversary of the Chinese People's Liberation Army [PLA], sponsored by Jiangsu Province and Nanjing City, was held at the Great Hall of the People in Nanjing this afternoon.

Du Ping and Xiang Shouzhi, members of the Central Advisory Commission, and Fu Kuiqing, member of the National People's Congress Standing Committee, attended the meeting.

Responsible comrades of the Nanjing Military Region and its Air Force, the Provincial Military District, and prominent military academies, who attended the meeting, were Gu Hui, Shi Yuxiao, Guo Xizhang, Jiang Yutian, Wang Yongming, (Pei Jinzhou), Lan Baojing, Wang Tailan, (Sui Shengwu), Du Yufu, (Xing Yichang), (Ma Hong), (An Jiye), Zhang Zhaoxun, Jia Qiyun, and (Li Qin).

Provincial and Nanjing City leading comrades Shen Daren, Chen Huanyou, Han Peixin, Sun Jiazheng, Cao Hongming, Zhou Ze, Hu Fuming, Gu Hao, Gao Dezheng, Dai Shunzhi, Zhang Yaohua, Tang Nianci, Ling Qihong, Wu Xijun, Zhang Chenhuan, (Zhang Xunhua), Wang Rongbing, (Liu Ting), Ma Zhaohong, and Fang Ming attended the meeting.

Veteran military and local comrades (Jiang Danan), Shi Jingban, Deng Shaodong, Bao Houchang, Chu Jiang, and Kuang Yaming also attended the meeting.

Prior to the gala meeting, the military and local leaders had an animated conversation in the lounge, chatting cheerfully about the close ties between militarymen and civilians. They pledged to do a good job in their work and in work for socialist construction and national defense.

The military and local leaders, PLA officers and men, and people from various circles in Jiangsu, totalling some 3,000, watched a cultural performance at the meeting.

### Jiangsu's Shen Daren Stresses United Front Work

*OW0108060990 Nanjing XINHUA RIBAO in Chinese 13 Jul 90 p 1*

[Text] Yesterday, the Jiangsu Provincial CPC Committee held a meeting of responsible persons of provincial-level organs, institutions of higher learning, and scientific research units in Nanjing. Sha Renlin, director of the Propaganda Department of the provincial CPC committee, relayed the guidelines set by the National Conference on United Front Work.

Shen Daren, secretary of the provincial CPC committee, presided over, and spoke at, the meeting. He said: On the afternoon of 25 June, the Standing Committee of the

provincial CPC committee heard a report on the guidelines set by the National Conference on United Front Work. Members of the Standing Committee unanimously maintained that the conference is very important, particularly the two important speeches given by Comrade Jiang Zemin. The speeches integrated the basic principles of Marxism and Leninism with the history and current situation of China's united front work; summed up in depth the experience in our united front work; expounded from a strategic point of view the importance and need to strengthen united front work, and the protracted efforts needed to strengthen that work; and clearly explained the principles, policies, and tasks of current work. They are a programmatic document and a powerful ideological weapon for strengthening and improving united front work; and have great practical and historic significance in further strengthening and improving the party's leadership over united front work, unifying and enhancing the whole party's understanding of the work, mobilizing the whole party to carry out the principles and policies of the party's united front work, and faithfully and properly carrying out this work in the new period. Organs at the provincial level should also take the lead in implementing the guidelines set by the conference.

Shen Daren offered the following three opinions for provincial-level organs to disseminate and study the guidelines. He said: First, in a period to come, all departments and units should set aside a certain amount of time to organizing cadres with party membership to earnestly study Comrade Jiang Zemin's important speeches and relevant documents of the party Central Committee. Major responsible persons and members of leading bodies of party and government organs should take the lead in conscientiously studying the speeches and documents, and gain a thorough understanding of their essence. All departments and units should also set aside time to relay the guidelines to cadres with party membership as well as nonparty personages of provincial-level organs, institutions of higher learning, and scientific research units. Second, we should establish closer contacts with nonparty personages in order to consolidate and develop a broad-based patriotic united front. This is an important way to foster closer ties between the party and the masses. We should organically integrate our efforts to disseminate the guidelines set by the conference with those to carry out the party Central Committee's "Decision". There are many influential and representative nonparty personages in provincial-level organs, institutions of higher learning, and scientific research units. All cadres with party membership, especially responsible persons, of all departments and units have a responsibility to foster close ties with these nonparty personages; to faithfully, responsibly, and properly work on them; regularly seek their opinions and suggestions; show concern for their work, study, and daily lives; fully arouse their enthusiasm; and, in turn, exert influence on the nonparty masses having close contact with them, thereby establishing closer ties

between the party and the masses. Third, party organizations of all departments and units should add united front work to their regular work schedule, and pay close attention to the work. They must not have the idea that united front work is the job of united front work departments only. Leaders of provincial-level organs, institutions of higher learning, and scientific research units should hold in the near future a serious discussion of united front work. The discussion should center on studying the current actual situation and ways for their respective department or unit to carry out the guidelines set by the conference. These leaders should do everything they can at present, in order to give a boost to the province's united front work, and to raise the province's united front work to a new level.

### Jiang Chunyun at Defense Education Meeting

SK2807131890 Jinan Shandong Provincial Service  
in Mandarin 2200 GMT 23 Jul 90

[Text] A provincial meeting to exchange experiences in conducting national defense education was ceremoniously held at Changdao County—a national advanced unit in supporting the Army, giving preferential treatment to families of martyrs and servicemen, in supporting the government and cherishing the people, and in pooling the efforts of the army and the people to build spiritual civilizations. Zhao Zhihao, deputy secretary of the provincial party committee and provincial governor, presided over the meeting. Li Chunting, member of the Standing Committee of the provincial party committee and political commissar of the provincial military district, gave a speech at the meeting. (Qu Jimin), deputy political commissar of the Jinan Military Region, and (Yang Xin), vice minister of civil affairs, attended the meeting. Qin Jiwei, state councilor and minister of national defense, wrote an inscription for the meeting, which reads: Conscientiously summing up experience and deepening national defense education. Chi Haotian, chief of general staff of the General Staff Headquarters of the People's Liberation Army [PLA], also wrote an inscription for the meeting, which reads: Be prepared for danger in times of peace and never forget about national defense. The PLA General Political Department sent a congratulatory message to the meeting. Jiang Chunyun, secretary of the provincial party committee, also sent a congratulatory message to the meeting on behalf of the provincial party committee and the party committee of the provincial military district. The congratulatory message of the PLA General Political Department reads: Shandong is an old revolutionary base. During war time, thousands and thousands of Changdao-type support-the-Army models emerged. The battle song of unity between the Army and the people and of fighting day and night was heard everywhere. Since the Third Plenary Session of the 11th party Central Committee, particularly since the last two years, the party, government and Army organs in Shandong Province, under the leadership of the provincial party committee and government, have responded to the call the party Central Committee, the State Council and the Central Military Commission,

extensively and deeply conduct all-people national defense education, and achieved new progress in this work. Your experience in establishing a five-in-one combination leadership system in the all-people national defense education has been affirmed by the central authorities and the Army departments concerned and has had a positive influence in the whole country. I am convinced that through this meeting, you will surely push this work to a new stage.

In his congratulatory message, Jiang Chunyun said: The whole province, from the higher to the lower levels, should conduct national defense education in an in-depth, sustained, realistic and effective manner, strengthen the sense of national defense among all the people, and further intensify the building of national defense. Jiang Chunyun expressed hopes that through this meeting, the successful experiences will be popularized and a new situation in carrying out national defense education will be further created in the province.

More than 20 cities, counties and units such as Yantai, Jinan, Qimgdao, and Changdao introduced their experiences in conducting all-people national defense education at the meeting.

### Shandong Achievements in Foreign Trade

SK2807034990 Jinan DAZHONG RIBAO in Chinese  
8 Jul 90 p 1

[Summary] During the first half of this year, despite unfavorable circumstances, Shandong Province readjusted the structure of export commodities in line with the international market, and achieved new breakthroughs in foreign export trade. By the end of June, this province had created \$1.7 billion in foreign exchange, an increase of 20 percent over the same period of last year, and purchased 5.102 billion yuan worth of export commodities, an increase of 15.9 percent over the same period of last year, showing an all-time record respectively.

In the first half of the year, the provincial-level foreign trade companies earned \$1.3 billion in foreign exchange, an increase of more than 13 percent over the same period of last year.

### Zhejiang's Economy Picks Up First Half of Year

OW3107224890 Hangzhou Zhejiang Provincial  
Service in Mandarin 0900 GMT 21 Jul 90

[Text] The statistical data collected by the provincial statistical bureau for the first half of this year shows that after a half year of further economic improvement and rectification, the province has tided over its most severe economic situation. In going through the testing ordeal, the province's economy has turned a corner.

There was a bumper harvest of summer grain. The sowing area for summer grain increased and the per mu output increased by 17 kg over last year, a record high. The total yield ranked second to the peak year. The gross yield of rapeseed is estimated to grow by 22.4 percent

over the previous year, another record high. Sowing areas for early rice and cotton were also larger than those of the previous year.

Industrial production has also begun to make an upswing. The total industrial output value for the period from January to April dropped by 2.2 percent compared with the same period of last year. By June, however, the growth rate went up to five percent. The province fulfilled a total of 53.11 billion yuan in industrial output value for the first half of the year, which roughly equals the figure for the same period of the previous year.

The domestic market slump has improved to some degree. The gross value of commodity retail sales for May and June dropped by 0.9 and 1.7 percent, respectively. The range of the price hike also has narrowed further. Exports have continued to grow and the trend of opening to the outside world has gained new momentum. The export volume for the first half of the year amounted to \$1.035 billion, an increase of 19.6 percent over the same period of last year.

### Central-South Region

#### Shenzhen Mayor Speaks to Investors

*HK0108033790 Hong Kong HONGKONG STANDARD (BUSINESS STANDARD) in English 1 Aug 90 p 1*

[Text] Shenzhen Mayor Zheng Liangyu yesterday assured a visiting Hong Kong economic mission Taiwan and Hong Kong investors in the special economic zone would be treated equally.

"It is our policy to treat all foreign investors equally, whether they come from Taiwan, Hong Kong or other places," he said.

"There is only one policy governing taxes, land, supply of energy and other aspects affecting foreign investment," he said.

"There is no question of preferential treatment for a particular sector."

Vice-Mayor Li Guangzhen, who also attended the meeting, said Shenzhen authorities would study suggestions by the Hong Kong business community on ways to solve problems encountered by Hong Kong investors in the zone, especially those put forward by the Hong Kong Trade Development Council (TDC).

The mission members called for more channels of communication between Shenzhen authorities and Hong Kong investors, and for closer cooperation in finance.

Members of the TDC-organised mission included the secretary for trade and industry, John Chan, TDC executive director Jack So, Kader Industrial Co chairman Dennis Ting, and TDC council member David Wong.

Aside from meeting with Shenzhen officials, the mission attended the second part of the seminar, "Hong Kong-Guangdong—A Successful Business Partnership", in Shenzhen.

The seminar was organised by the TDC, the Commission of Foreign Economic Relations and Trade of Guangdong, and the Shenzhen Economy Development Bureau. The first part was held in Guangzhou on Friday.

"Shenzhen and Pudong each has its own merits, and Shenzhen's position will only be further strengthened as the country continues the economic reform," Mr Zhang told yesterday's seminar.

In addition to developing telecommunications, port, airport, railway and highway facilities, Shenzhen would pay special attention to water and electricity supply and enhancing the efficiency of government departments, Mr Zheng said.

Mr So said the mainland's labour force and Hong Kong's talents in product design, sales promotion and management skills gave the territory an edge. This edge helped enhance the territory's importance as an entrepot for products made in China and the Asia-Pacific, he added.

#### UK Atomic Group Assesses Guangdong's Daya Bay

*OW010801290 Beijing XINHUA in English 0702 GMT 1 Aug 90*

[Text] Hong Kong, August 1 (XINHUA)—The nuclear power station being built at Daya Bay in south China's Guangdong Province will pose much lower risks to Hong Kong people's health than other risks encountered by people here, according to a risk assessment report released here yesterday.

The report made by the British Atomic Energy Authority notes that health risks associated with accidents at the Daya Bay Nuclear Power Station are much lower, by a very wide margin, than other risks encountered by Hong Kong people in everyday life.

It says many nuclear power plants similar to that being built at Daya Bay are operating around the world and are considered by the relevant authorities to pose an acceptable small risk to their surrounding population.

The assessment includes an analysis of the plant system, aimed at evaluating accident probabilities and possible health risks in Hong Kong.

It says that the results of the plant analysis are generally consistent with detailed studies of similar reactor types performed by others.

"This, and the fact that no obvious plant-specific weaknesses are apparent from the present work, provides an assurance that the Daya Bay plant risks will be in line with those of many other pressurized water reactor plants of the same design," it says.

In summarizing some of the important features of the calculated risks, the report gives two examples of societal risk. These are:

—the probability, per year of station operation, of the occurrence of one or more early deaths is one chance in a million. Larger numbers of early deaths are less likely.

—the probability, per year of station operation, of the occurrence of one or more fatal cancers is one chance in 50,000. Larger numbers are again less likely.

Two examples of individual risk are given and these are:

—the average individual risk of early death, per year of station operation, is one in 500 million.

—the average individual risk of fatal cancer, per year of station operation, is less than one in 10 million.

Commenting on the report, Elizabeth Bosher, deputy secretary for economic services, said the consultants' findings should help allay public concern about the level of risk that may be posed to Hong Kong by the construction of the nuclear power station at Daya Bay.

### Guangdong Army Leaders Watch Demonstration

HK0108083590 Guangzhou NANFANG RIBAO  
in Chinese 28 Jul 90 p 1

[Report by reporter Yuan Wen (5913 2429) and correspondents Zhang Zhimeng (1728 1807 3718) and Li Bosong (2621 2672 2646); "Quick Response Unit of Guangdong Military Region Displays Military Prowess"]

[Text] Lieutenant General Han Huaizhi, deputy chief of General Staff of the Liberation Army, and Lieutenant General Zhu Dunfa, commander of the Guangzhou Military Region, reviewed a quick response unit of the Guangzhou Military Region and watched their military training report-back performance in Guangzhou yesterday morning.

Also attending the review and watching the report-back performance were leaders of the Guangzhou Military Region and leaders of the 11 departments of the three general departments, as well as various military regions and relevant departments of arms and services, including as Zhang Zhongxian, Li Xinliang, Li Xilin, Gao Tianzheng, Liu Xinzeng, Chen Xianhua, Fang Zuqi, Zhang Zhenxian, and Chen Mingde; National People's Congress Standing Committee member Liang Lingguang; Guangdong provincial and Guangzhou city leaders, including Lin Ruo, Xie Fei, Song Zhiying, Zhu Senlin, Jiao Linyi, Xue Yan, Ling Botang, Chen Zibin, and Kang Leshu; and veteran comrade Kou Qingyan.

The quick response unit of the Guangzhou Military Region has set up to suit the need of future anti-aggressive wars and in keeping with the directives of the general departments of the Liberation Army. It is capable of independently carrying out various special combat tasks under various complicated environments.

It is small in number but highly trained, well-equipped, and well-trained, can be flexibly commanded, and has a great capability for independent operations, high mobility, survival capability in field operations, and self-supporting capability.

At yesterday's demonstration, from the whistle call for emergency fall-in, it took the whole unit only 35 minutes to be fully armed and arrive at a predetermined place, which is 20 km away, in motor vehicles; it took the soldiers, carrying many weapons, only eight minutes to pass through 18 obstacles, including lofty mountains, jungles, rice fields, water networks, trenches, and high walls, captured eight targets, and forcibly advance 1,000 meters; from accepting order, boarding an aircraft in full battle array, flying a distance of eight km, parachuting, and capturing a height, it took 20 soldiers only 15 minutes. Yesterday, the unit also displayed the fine quality of individual combat: In the course of advancing in motor vehicles, the soldiers driving motorcycles, jeeps, and trucks exchanged in driving the three kinds of vehicles without reducing the speed of the cars; after giving a brilliant performance, which included fist-fighting and breaking bricks with qigong [a system of deep breathing exercises], the soldiers quickly started a tank and an armored car and, while advancing, fired a barrage from the antiaircraft machine gun on the car, hitting all targets, and fired four shells from the tank artillery, hitting the target at each shot; immediately after attaining excellent achievements in shooting with four kinds of pistols, four kinds of submachine guns, and two kinds of light machine guns, the 12 soldiers again created excellent results in alternately shooting with six kinds of light weapons and recoilless guns, mortars [ying ji pao 6601 2345 3517], and rocket launchers.

The brilliant performance of the quick response unit has given people an impression: This is a modern crack troop with Chinese characteristics.

### Guangxi Leaders Attend PLA Anniversary Fete

HK0108084690 Nanning Guangxi Regional Service  
in Mandarin 1030 GMT 31 Jul 90

[Text] Yesterday evening, the General Office of the Guangxi Regional CPC Committee, the General Office of the Guangxi Regional People's Government, the Nanning City People's Government, and the Political Department of the Guangxi Regional Military District jointly held an evening party in Nanning Theater to celebrate the 63d anniversary of the founding of the People's Liberation Army [PLA].

The evening party was attended by a total of more than 1,000 people, including cadres and people of Nanning City, PLA officers and soldiers stationed in the Nanning area, armed police officers and armed policemen stationed in the Nanning area, and regional party and government leaders, such as Chen Huiguang, Cheng Kejie, Wen Guoqing, Zheng Shenxia, Xiao Guangfu, and others.

The Song and Dance Troupe of the Guangxi Regional Military District, the Guangxi Regional Song and Dance Troupe, and the Nanning City Song and Dance Troupe staged a large number of excellent performances at the evening party, which depicted the revolutionary spirit of the PLA officers and soldiers as well as the friendly relationship and unity between Army and people.

### **Guangxi Regional Secretary Chen Visits Troops**

*HK3107043890 Nanning Guangxi Regional Service  
in Mandarin 1030 GMT 29 Jul 90*

[Text] On 28 July, Chen Huiguang, secretary of the Guangxi Regional CPC Committee, and Cheng Kejie, deputy secretary of the Guangxi Regional CPC Committee and concurrently chairman of the Guangxi Regional People's Government, led a group of regional party and government leaders to visit a number of troops stationed in Guangxi.

Comrade Chen Huiguang, Comrade Cheng Kejie, and some other regional party and government leaders went respectively to the leading organs of the Guangxi Regional Military District, the Guangxi-based People's Liberation Army [PLA] Air Force Unit, the Guangxi Regional Armed Police Forces, the PLA troops stationed in the border areas of Guangxi, and the Guangxi Regional Fire Brigade to see and extend holiday greetings to all the officers and soldiers there.

During their visit, Comrade Chen Huiguang and Comrade Cheng Kejie spoke highly of the great contributions made by the PLA troops and the armed police troops to Guangxi's construction and development and praised all the PLA troops and armed police forces stationed in Guangxi for rendering invaluable assistance to local people by providing disaster relief to them and helping them tide over natural calamities over the past many years.

Comrade Chen Huiguang and Comrade Cheng Kejie also expressed heartfelt thanks to all the PLA troops and armed police troops stationed in Guangxi for the important contributions they have made over the past many years to the maintenance of overall political, economic, and social stability in Guangxi.

After learning that some armed police officers and soldiers stationed in Guangxi still have difficulties in receiving appropriate medical treatment, Comrade Chen Huiguang and Comrade Cheng Kejie immediately asked responsible persons of the regional departments concerned to study the problem and find ways to solve the problem. They also urged all the officers and soldiers to continue to develop the spirit of hard work and plain living.

On behalf of their respective CPC committees and all their officers and soldiers, Major General Zhang Kexun, deputy political commissar of the Guangxi Regional Military District, Major General Zheng Shenxia, commander of the Guangxi-based PLA Air Force Unit, Major General Liu Chunliang, political commissar of the Guangxi-based PLA

Air Force Unit, and Senior Colonel Zhao Guangfu, commander of the Guangxi Regional Armed Police Forces, spoke one after another, expressing their heartfelt thanks to the Guangxi Regional CPC Committee, the Guangxi Regional People's Government, and the Guangxi people for their concern and support.

### **Hainan Secretary Attends Government Meeting**

*HK0108052690 Haikou Hainan Provincial Service  
in Mandarin 2200 GMT 30 Jul 90*

[Excerpt] Yesterday morning, the Hainan Provincial People's Government held a plenary meeting which was aimed at summing up Hainan's work in the first half of this year and making plans for Hainan's work in the second half of this year.

Deng Hongxun, secretary of the Hainan Provincial CPC Committee, attended and delivered an important speech at the meeting.

Liu Jianfeng, governor of Hainan Province, Bao Keming, executive vice governor of Hainan Province, and Chen Shuhou, vice governor of Hainan Province, also attended the meeting.

The meeting was also attended by a total of 31 people, including responsible persons of various provincial departments and bureaus.

The meeting was presided over by Comrade Bao Keming.

Governor Liu Jianfeng delivered a speech summing up Hainan's work in the first half of this year.

Comrade Liu Jianfeng pointed out that in the first half of this year, people's governments at all levels in Hainan conscientiously implemented the central authorities' principle of improving economic environment, rectifying economic order, and deepening reform and carried out all types of work in a down-to-earth manner. As a result, Hainan's provincial national economy witnessed a sizable improvement in the first half of this year. Hainan also reaped a good agricultural harvest and witnessed a rapid growth of her industrial production. Hainan's foreign trade, financial revenue, tourism industry, market situation, and scientific, technological, public health, educational undertakings all witnessed further and continued improvement and development. In one word, Hainan maintained political, economic, and social stability in the first half of this year.

Comrade Liu Jianfeng put forward the following nine requirements on Hainan's work in the second half of this year:

1. To continue to study and implement the spirit of the important speech made by General Secretary Jiang Zemin during his recent inspection in Hainan and implement to the letter all the preferential policies toward Hainan with a view to further promoting the development of the Hainan Special Economic Zone;

2. To strengthen rural work, especially Hainan's grain production;
3. To increase economic results of Hainan's industrial production;
4. To further develop relations of economic and technological cooperation and exchanges with foreign countries and regions;
5. To increase financial revenue and reduce financial expenditure and fulfill this year's budget;
6. To formulate the provincial eighth 5-year plan and 10-year development plan;
7. To continue to strengthen Hainan's education, public health, and tourism work;
8. To further improve and strengthen social order and push ahead with the on-going struggle aimed at cracking down on major and serious crimes;
9. To continue to promote Hainan's clean government building work.

In his speech, Comrade Deng Hongxun said that Hainan has great latent potentialities. As the largest special economic zone in the whole country, Hainan is full of hopes. The development of the Hainan Special Economic Zone relies on the concerted efforts made by all the comrades in Hainan.

Comrade Deng Hongxun demanded that all the comrades concerned in Hainan immediately start formulating Hainan's eighth 5-year plan, invite more foreign funds, form more lateral economic associations with other provinces and regions of China, and build a number of key projects in the near future. [passage omitted]

#### Hainan Holds Forum of Chief Procurators

HK0108082290 Haikou Hainan Provincial Service  
in Mandarin 2200 GMT 30 Jul 90

[Text] The Hainan Provincial Forum of Chief Procurators was held in Haikou yesterday.

At the forum, Li Tianxiang, chief procurator of the Hainan Provincial People's Procuratorate, relayed the spirit of the recently concluded National Forum of Chief Procurators, summed up Hainan's procuratorial work in the first half of this year, and planned work in the second half of this year.

He said that in the first six months of this year, procuratorial organs at all levels in Hainan handled a total of 247 economic cases, representing an 80-percent increase over the corresponding period of last year; and recovered stolen money and goods totaling more than 2.529 million yuan, representing a 130-percent increase.

He said that in the future, procuratorial organs must continue to implement the CPC's policies, mete out lenient punishment to those who voluntarily surrender and confess their crimes, severely punish those who refuse to surrender and confess, and carry out investigations into major and serious cases.

Comrade Li Tianxiang added that the Hainan Provincial People's Procuratorate should make all the necessary arrangements for the establishment of the Provincial Bureau for Examination of Corruption and Bribery Cases, strengthen comprehensive harnessing aimed at eliminating corruption and bribery cases, strengthen propaganda work in this regard, and speed up investigations into tax-evasion cases and other types of economic cases.

He also demanded that procuratorial organs at all levels continue to implement the principle of rapidly and severely punishing criminals who commit major and serious crimes with a view to fundamentally improving and strengthening social order.

#### Hubei Leaders Visit Hospitalized Veterans

HK0108085690 Wuhan Hubei Provincial Service  
in Mandarin 1130 GMT 31 Jul 90

[Text] On the eve of this year's "1 August Army Day," provincial party and government leaders, including Guan Guangfu, Guo Shuyan, Zhao Fulin, Qian Yunlu, and others, went to the Wuhan-based General Hospital of the Guangzhou Military Region to see Zhou Shizhong, Ye Ming, and some other former leaders of the Wuhan Military Region, who were receiving medical treatment there.

They extended holiday greeting and regards to all veteran comrades, who appeared happy, and asked them about their health and livelihood.

Guan Guangfu said that officers are also veteran comrades and are veteran leaders in local areas. Over the past many years, they have made important contributions to the PLA building in Hubei and to its economic construction and development. Their work and contributions will never be forgotten. All comrades must learn from these veteran officers, inherit and develop their revolutionary spirit, and do all types of work at present better.

Zhou Shizhong and other veteran officers expressed thanks to the leaders of the Hubei Provincial CPC Committee for their great concern.

Zhou Shizhong said that Hubei has a glorious tradition of maintaining unity between Army and government as well as Army and people. This should be further developed in the years ahead. All people, PLA officers, and soldiers should exert their utmost to promote the building of the four modernizations in Hubei and do all types of work better.

Xu Shiqiao, deputy political commissar of the Hubei Provincial Military District, was also present on the occasion.

#### Hubei Economy Witnesses Continued Growth

HK3007050890 Wuhan Hubei Provincial Service  
in Mandarin 1130 GMT 27 Jul 90

[Text] Statistics released by the Hubei Provincial Statistics Bureau show that in the first half of this year, thanks

to the implementation of a series of economic measures formulated by the central authorities and the Hubei Provincial People's Government, Hubei's provincial national economy witnessed a continued growth in the course of the campaign aimed at improving economic environment and rectifying economic order.

Nonetheless, due to the continued existence of certain in-depth contradictions, Hubei's industrial development was still plagued by poor economic results in the first half of this year.

In the first half of this year, Hubei's total investment in fixed assets stood at 2.23 billion yuan, representing a 13-percent growth over the corresponding period of last year while Hubei's total investment in local projects stood at 1.24 billion yuan, representing a 14.8-percent growth over the corresponding period of last year. Hubei also witnessed a rapid increase in her bank deposit volume. As a result, various banks in Hubei provided more loans to Hubei-based enterprises in the first half of this year. By the end of June of this year, Hubei's bank loans had totaled 61.97 billion yuan, representing an increase of 2.07 billion yuan over the beginning of this year, of which loans of floating funds had shown an increase of 1.68 billion yuan.

In the first quarter of this year, the number of companies in Hubei witnessed a 9-percent increase over the corresponding period of last year, representing a 10.6-percent fall in the increase rate compared with the corresponding period of last year.

In the first half of this year, Hubei's industrial production failed to witness a substantial improvement. This can be seen in the following facts: 1. Hubei's labor productivity decreased; 2. Hubei's product sales profit and tax rate dropped; 3. Hubei's fund profit and tax rate dropped by a large margin; 4. Hubei's energy consumption increased.

The poor performance of Hubei's industrial production in the first half of this year should be paid attention to. All departments concerned in Hubei must take forceful measures to speed up enterprise product mix readjustment, increase production of readily marketable products, and increase enterprise economic results with a view to extricating Hubei's industrial production from its current predicament.

### **Southwest Region**

#### **Guizhou Secretary Views College CPC Work**

HK0108083490 Guiyang Guizhou Provincial Service  
in Mandarin 2200 GMT 30 Jul 90

[Excerpt] The Guizhou Provincial Conference on College Party Building Work was held yesterday.

Liu Zhengwei, secretary of the Guizhou Provincial CPC Committee, delivered a speech.

In his speech, he called for practically strengthening party building work in various Guizhou-based institutions of higher learning, especially in various institutions of higher learning.

He said that all these institutions must endeavor to strengthen ideological education among students and teachers, and ensure that leadership power lies in the hands of those loyal to Marxism.

Comrade Liu Zhengwei said that secretaries of the CPC committees as well as presidents of institutions of higher learning should become socialist educationalists.

He said that since they all shoulder the important task of training qualified personnel for socialist modernization cause, institutions must adhere to socialist orientation, strengthen the CPC leadership and Party-building work, bring into full play the role of CPC organizations and the CPC members at all levels, strengthen ideological education among the CPC members on a regular basis, and more extensively carry out education on the basic theories of Marxism, the basic knowledge about the CPC, and the basic line of the CPC. [passage omitted]

### **Tibet Law Officials at Procurators's Meeting**

OW2907164790 Lhasa Tibet Television Network  
in Mandarin 1200 GMT 27 Jul 90

[Announcer-read video report; from the "News" program]

[Text] [Video begins with medium closeup shots of the PRC insignia hanging on the wall of a conference hall, slowing zooming backward to show seven officials sitting at the head table under the insignia. Then the camera cuts to show closeup, bust shots of Zi Cheng, president of the Tibet Regional Higher People's Court, dressed in a black tunic suit, sitting under the insignia and in the middle of the head table. As the announcer reads the report, camera moves randomly in the hall to show medium closeups of the attendees and medium closeups of other officials sitting at the head table.] Speaking at a forum attended by chief procurators of regional and municipal procuratorates in Tibet, Zi Cheng, member of the Tibet Regional Party Committee Standing Committee, pointed out that procuratorates at all levels in Tibet must consider it one of their principal missions to crack down on separatists and economic felons harshly and promptly according to law to make sure that Tibet has long-standing order, prosperity, and progress, and to make sure that government organs operate honestly.

The four-day forum came to a close yesterday afternoon.

[Video shows Zi Cheng speaking] Zi Cheng said: Tibet's struggle between separation and counterseparation is a protracted, complex, and formidable one. All procuratorial departments must consider it their priority to crack down on separatists. They must also intensify their efforts to investigate felons in the economic sphere, and work as quickly as possible to handle a number of major cases. During the struggle with economic criminals, all

procuratorates must display a high sense of responsibility, do away with resistance and interferences, and punish the criminals—no matter how high-ranking they may be—according to law to make sure that everyone is equal before the law. They should regard cracking down on economic crimes as a major long-term measure for punishing corrupted personnel and preserving honesty in government organs. Special personnel should be sent to check the information provided by the masses, follow through with all investigations, win the trust of the people, and protect informants' initiatives by doing a good job in handling all cases.

Comrade Zi Cheng urged all law enforcing departments in Tibet to make sure that their personnel are law abiding, and seriously investigate lawless conduct by law enforcement departments to use examples to stop lawless conduct during law enforcement. He said: Public security departments, procuratorates, and people's courts should work hard together to stabilize Tibet's situation and contribute to cracking down on felons.

(Cai Weidong), deputy chief procurators of the regional procuratorate, urged all procuratorial departments in Tibet to do a good job in the following three areas:

First, they strictly should handle all procuratorial affairs and build a contingent of procuratorial personnel who are politically staunch and professionally competent, who are tough and disciplined, and whose performance is outstanding.

Second, they clearly should set the priorities of procuratorial work, expedite all procuratorial projects through cracking down on separatists and criminal felons, firmly fight against corruption and bribery, hit hard economic criminals according to law, and earnestly carry out the sacred missions which the constitution and the law have bestowed on procuratorial organs.

Third, they should go down to the grassroots units, change their work style, work in greater unity, carry out arduous struggle, and strive to improve Tibet's procuratorial affairs.

#### **Yunnan CPC Congress Planned for August**

*HK2807055090 Kunming Yunnan Provincial Service in Mandarin 1002 GMT 26 Jul 90*

[Excerpt] Yesterday, the Yunnan Provincial CPC Committee held a forum which was attended by responsible persons of the Yunnan Provincial CPPCC Committee, various democratic parties, and people's organizations as well as public figures without party affiliation.

At the forum, leaders of the Yunnan Provincial CPC Committee briefed all the participants on issues concerning the forthcoming Fifth Yunnan Provincial CPC Congress, listened to the views of the participants on the work of the Fourth Yunnan Provincial CPC Committee, and invited suggestions from the participants on the

work of the Fifth Yunnan Provincial CPC Committee to be elected in August of this year.

Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee, presided over and delivered a speech at the forum.

In his speech, Comrade Pu Chaozhu said that the Fifth Yunnan Provincial CPC Congress will be held in Kunming on 1 August of this year. The Congress will mainly discuss work reports submitted by the current Yunnan Provincial CPC Committee, the current Yunnan Provincial CPC Advisory Committee, and the current Yunnan Provincial Discipline Inspection Commission, elect a new Yunnan Provincial CPC Committee, a new Yunnan Provincial CPC Advisory Committee, and a new Yunnan Provincial Discipline Inspection Commission.

Comrade Pu Chaozhu held that the forthcoming Fifth Yunnan Provincial CPC Congress is going to be a major event in the political life of the Yunnan people.

At the forum, Ren Keli, member of the Standing Committee of the Yunnan Provincial CPC Committee and concurrently director of the Organization Department of the Yunnan Provincial CPC Committee, briefed the participants on certain personnel arrangements regarding the new provincial CPC committee, the new provincial CPC advisory committee, and the new provincial discipline inspection commission.

All the participants at the forum expressed satisfaction over the work done by the current Yunnan Provincial CPC Committee and over the personnel arrangements to be introduced at the forthcoming Fifth Yunnan Provincial CPC Congress, put forward a lot of valuable suggestions on the future work of the Yunnan Provincial CPC Committee, and wished the forthcoming Fifth Yunnan Provincial CPC Congress a complete success.

He Zhiqiang, deputy secretary of the Yunnan Provincial CPC Committee and concurrently governor of Yunnan Province, also delivered a speech at the forum, expressing the hope that all democratic parties in Yunnan will join hands with the Yunnan Provincial CPC Committee in summing up Yunnan's experiences during the seventh five-year plan period and formulating Yunnan's eighth five-year plan and will make greater contributions to Yunnan's economic development in the years ahead. [passage omitted]

#### **North Region**

#### **Beijing Official Calls for More Petroleum, Gas**

*OW3107205090 Beijing XINHUA in English  
1527 GMT 31 Jul 90*

[Text] Beijing, July 31 (XINHUA)—A municipal government official today urged the state to increase petroleum and gas supply to Beijing to help improve this capital's air pollution.

In a report to the ongoing municipal People's Congress Standing Committee session, Jiang Xiaoke, head of the municipal Environmental Protection Bureau, said though Beijing has made great efforts in prevention of air pollution over the past years, the increasing burning of coal has still made Beijing stand first among the world capitals in coal consumption.

By July 24, she said, 7,485 pollution sources have been treated, 39 smoke control areas have been set up in the city's suburbs.

Statistics show that when sulfur-fixative honeycomb briquet substitutes ordinary egg-shaped coal, the sulfur dioxide and smoke will be reduced by 50 percent. By the end of last year, all Beijing residents had turned to honeycomb briquet for cooking fuel.

In addition, 30 soft coal production lines have been built which has created conditions for reducing the air pollution from traditional tea stoves.

The monitor results in 1989 showed that the sulfur dioxide, carbon monoxide and nitrogen oxide in the city air had been below the state required standards.

However, Jiang noted, the task to improve the environment is still tough.

The rapid increase of urban population and part of the irrational distribution of industries as well as the poorly equipped township enterprises are still polluting the air, she pointed out.

As a result, she suggested, in addition to further control population growth, the government should encourage people to move to suburbs and the related departments should take into consideration the biological balance in working out economic and social development plans.

### **Beijing Students Seek Party Membership**

*SK2807020190 Beijing BEIJING RIBAO in Chinese  
11 Jul 90 p 1*

[Text] Thus far, some 1,100 students and postgraduates of Beijing University have applied for party membership, about one ninth of the total number of students currently attending the university. On the eve of 1 July, the anniversary of the founding of the CPC, a total of 13 students of the university were gloriously admitted into the CPC.

After the outbreak of the political storm in Beijing last year, many students of Beijing University, through study and self-reflection, have become more aware of the fact that the only correct road to make the country strong is the socialist road under the leadership of the CPC, and have strengthened their belief in communism. Xue Feng, a student of the English department, had taken advantage of vacation to conduct an investigation in the Yimeng mountainous area. Then, he deepened his understanding of the condition of the country, became a more responsible member of society, and became aware

of the fact that only the CPC can lead the people to march towards prosperity and strength. After last year's turmoil, he submitted an application for party membership with determination. Feng Gang, a student of the department of philosophy, who entered the university in 1986 and who joined the party not long ago, maintained: During one's lifetime, a human being should have something to pursue and believe in, should have a lofty realm of life, and should closely connect his personal interest with the interests of the state and the people. Only by doing so can one obtain self-value.

Many students who applied for party membership have conscientiously studied the knowledge related to the party and the theory related to Marxism-Leninism, attended the study courses of spartine party schools, and exchanged their experiences gained in studies. On the eve of "1 July," 550 students and postgraduates of Beijing University received the certificates of concluding their studies at the spartine party schools, and 13 students were admitted into party organizations with the approval of the party committee. They pledged to share a common fate with the party, and use their exemplary actions to affect and recruit more students, proceeding from optimizing the circumstances around them.

### **Hebei-Taiwanese Luncheon Held in Beijing**

*SK3107110090 Shijiazhuang HEBEI RIBAO  
in Chinese 6 Jul 90 p 1*

[Text] In order to expand our province's economic and technological exchange and cooperation with Taiwanese compatriots, Vice Governor Guo Hongqi and Provincial Government Adviser Li Feng held a luncheon at Hebei Hotel in Beijing on 3 and 5 July separately to entertain some Taiwanese compatriots attending the seminar on trade and investment for both sides of the strait and to welcome them to make investments in Hebei.

Guo Hongqi gave a brief summary of our province's basic situation to the Taiwanese compatriots. He said: Hebei Province is surrounded by Beijing and Tianjin with convenient transportation services and rich mining resources. Its output of wheat, cotton, and corn is among the front ranks of the whole country and it covers fairly complete sorts of industries. He introduced to the guests Hebei's situation of opening to the outside world during recent years and the Qinhuangdao-Tangshan-Cangzhou-Bohai Bay-economic development zone and all preferential policies.

He said: In economic development, Hebei must open itself to the outside world, import funds and technology, and carry out vast spheres of exchange and cooperation with Taiwanese compatriots in order to attain the goal of common development through exchange and mutual supplement.

Guo Hongqi also announced this to the guests: By the end of July, our province will hold the Hebei Provincial foreign economic and trade symposium and a meeting of Taiwanese compatriots on investment at the tourist

resort of Beidaihe. Guo Hongqi expressed the hope that more Taiwanese friends will come to these meetings.

Zhang Pingzhao, president of the Taiwan Commercial Affairs Coordination Society, said: Carrying out economic and technological cooperation for both sides of the strait is the tide of history and the trend of the times. He expressed that he is willing to carry out exchanges and cooperation in various fields with Hebei Province.

It was learned that during this seminar on trade and investment for both sides of the strait, personages from various circles in our province, such as the machinery, electronics, light industrial, chemical industrial, and building circles, held talks with Taiwanese traders on some items. Some Taiwanese businessmen conducted on-the-spot investigations in Baoding, Handan, and Zhangjiako.

#### **Inner Mongolia Conference on Firearms Held**

SK2807041390 Hohhot NEIMENGGU RIBAO  
in Chinese 8 Jul 90 p 1

[Text] The autonomous regional people's government recently held a regional telephone conference, calling on various localities to adopt measures to inspect and straighten out the units engaged in production, storage, marketing, transportation, and use of explosives, firearms, and ammunition with a view to actually ensuring the social stability of the region.

Liu Zuohui attended and addressed the conference. He demanded that all localities and departments go into immediate action to work out unified plans in line with respective local conditions under the leadership of league and city governments and organize and closely coordinate with pertinent departments to conduct a conscientious clearing-up and consolidation of all links of the safety control of explosives, firearms, and ammunition in line with the principle of "whoever taking charge of the work assuming responsibility." Meanwhile, all localities and departments should strive to stop up loopholes in this regard, establish and maximize the effectiveness of various safety control systems, and actually adopt measures to prevent accidents due to negligence in safety control. All localities and departments should also be resolute in taking over the explosives, firearms, and ammunition illegally obtained by the people. The firearms and ammunition distributed or provided beyond the authorized limits must be withdrawn resolutely. Public security organs should intensify supervision over and examination of management of explosives, firearms, and ammunition. As for the confused management of explosives, firearms, and ammunition, the explosive accidents, and the criminal cases related to firearms as a result of refusing to observe laws and shoulder responsibility, leaders concerned should be held to account. Those major law violations and undisciplined cases which have already been ferreted out should be punished by public security and judicial departments according to law.

#### **Wang Qun Speaks at Agricultural Meeting**

SK3107104090 Hohhot NEIMENGGU RIBAO  
in Chinese 7 Jul 90 pp 1,3

[Excerpts] At a regional meeting of secretaries of league and city party committees and heads of leagues and cities, which just ended, Wang Qun, secretary of the regional party committee, and Bu He, chairman of the regional government, pointed out: It is absolutely possible for us to further improve the rural and pastoral work, accelerate our region's agricultural and animal husbandry development, particularly grain production, and strive to achieve self-sufficiency in grain or even make contributions to the state within a short period of time.

In his speech, Comrade Wang Qun said: The most fundamental way to accelerate our region's agricultural and animal husbandry development, and grain production in particular, is to fully rely on and mobilize the masses to engage in self-reliance and arduous struggle, to tap the existing potential, to extensively popularize the existing typical examples, and to develop production in scope and depth with unceasing efforts. He said: Our region's existing arable land and the average per-capita area of arable land are on the front ranks of the whole country. However, the per-mu yield is the lowest. If we exert efforts to raise the per-unit area yield, expand production by upgrading technology and improving management while developing wasteland suitable for farming, we will have bright prospects for agricultural development and will surely get twice the results with half the effort. We should not neglect this point.

While touching on deepening reforms in the rural and pastoral areas, Wang Qun said: To deepen economic structural reforms in the rural and pastoral areas in line with the reality of our region, in the future, we should continue to improve the family-based output-related contract responsibility system. The focus of improvement is to proceed from the reality of various localities, gradually perfect the management system that integrates centralized management with decentralized management, and combine the enthusiasm of peasants and herdsmen in carrying out family-based farming operations with the superiority of collective unified management. This is the road our country must follow in order to develop socialist agriculture and animal husbandry. Wang Qun pointed out: To serve peasants and herdsmen as well as agricultural and animal husbandry production, it is most important to do a good job in integrating centralized and decentralized management in the course of the production and management work of peasants and herdsmen. Concerning this point, we should exert genuine efforts and perform masterly skills to develop and expand the collective economy and should enable peasants and herdsmen to accelerate the pace of becoming rich and to follow the road of common prosperity. Here, I want to stress one point. On the issue of how to strengthen unified management, all localities should proceed from the reality and consult with the masses

when doing things. By no means should they seek uniformity or commit the mistake of "egalitarianism and indiscriminate transfer of resources." He said: It is necessary to rely on policies to mobilize the production enthusiasm of peasants and herdsmen. The general principle is to keep the policies of the rural and pastoral areas stable and unchanged. The new policies should bring real benefits to peasants and herdsmen. At the same time, we should also educate peasants and herdsmen to correctly handle the relations of interests among the state, the collectives, and the individuals, and strive to make contributions to the state.

Wang Qun stressed: It is necessary to realistically strengthen the leadership of the party committee and the government over agricultural and animal husbandry work. He said: Doing a good job in our region's rural and pastoral work and accelerating the development of our region's rural and animal husbandry economies constitute a very glorious but arduous task. To fulfill this task, we must pay attention to the issues of educating the masses of cadres, enhancing their ideology and unifying their thinking; setting the minds of the people at ease and mobilizing and organizing the masses; helping the grass roots and the masses solve problems concerning the allocation of essential means of production and funds, realistically improving production conditions, implementing measures for increasing production and intensifying production momentum; mobilizing the broad masses of cadres to go to the grass roots to disseminate policies, technologies, and methods to the masses; rapidly improving the scientific and cultural levels as well as the production and work skills of the broad masses of peasants and herdsmen; coordinating the relations of all levels and realistically creating a relaxed and favorable environment for developing agriculture and animal husbandry; and properly readjusting policies and giving emphasis to implementing some preferential terms in agriculture and animal husbandry. All these works can never exist apart from the strong leadership of the party committees and governments at all levels.

Wang Qun reaffirmed that in the future we should act in line with the demands of the central authorities. The regional party committee should first grasp the rural and pastoral work. Top party and government leaders should also grasp the work. Leaders of leagues, banners, counties, and cities should concentrate their main energy and work focus on grasping agriculture and animal husbandry and on rural and pastoral work, and should assign a deputy secretary to take full charge of the work. In order to strengthen the party's leadership over rural and pastoral work, party committees at all levels should consider the policy research offices as the advisory organs for the party committees to study and direct agriculture and animal husbandry and should lay emphasis in grasping investigation and research work in the rural and pastoral areas. He stressed: In economic construction, the party and government functionaries should share the work but should not act separately. Leading bodies, such as the people's congresses and the

Chinese People's Political Consultative Conference [CPPCC] committees should maintain close coordination with the party committees and governments to "work out plans and participate in the work," and should work for a common ideal and objective with one heart and one mind. This is a basic guarantee for achieving success in our undertakings.

Comrade Bu He particularly talked about three ideas on promoting new development in agricultural and animal husbandry production: First, we should attend to development; second, we should attend to transformation; and third, we should attend to service. He pointed out: To successfully develop agriculture, we must further solve some problems of understanding. Our region has many advantages, of which rich land resources is the greatest advantage. Some people worried that development would cause desertification and would affect the development of animal husbandry. Practice showed that scientifically developing agriculture and animal husbandry will not cause desertification but greening. Development in areas with good water conservancy conditions and a lot of rainfall will produce not only grain but a large amount of fodder grass and will create conditions for a steady development in animal husbandry. From the view from experiences of various localities, to develop agriculture, first of all, we must have rational planning, consider the building of water conservancy projects as the central task, and comprehensively develop agriculture, animal husbandry and forestry. Second, we must promote the farming operation on a rational scale. All localities should fix their farming operational scale in line with their local conditions and should not seek uniformity. Third, we must set a high starting point in development, carry out scientific farming as soon as we start the work, till the land in line with a scientific pattern, and must not take the road of carrying out extensive farming instead of reaping poor harvests. Fourth, we should have some specific encouraging policies, clearly define that whoever develops the land has the right to use the land and whoever develops the land may enjoy the benefits. At the same time, the state should adopt the method of giving priority to supporting those with great enthusiasm. In the supply of funds, it is necessary to uphold the principle of "relying mainly on funds raised by the masses, supplemented by state support." The state should make investments in the form of granting loans and should change grants to compensation for the use of funds. State-invested development areas should implement the policy of linking money with grain and increase the amount of grain under contract purchase every year. The specific time limit and standards for the purchase of grain may be fixed in line with the situations in various localities. We should allow the people to invite bids for contractors to develop wastelands where development is difficult and where the people are unable to build in a short period of time. We may attract funds and technology from outside the region. However, we must not induce outsiders to move their residence registration to the region.

Bu He pointed out: To transform the land, we should mainly transform medium and low yield fields. He said: The entire agricultural sector should follow the road of combining development with transformation with emphasis on the latter. [passage omitted]

Bu He stressed at the end of his speech: At present, while building the service system in the rural and pastoral areas, we should also pay special attention to grasping the self-service work of peasants and herdsmen. For example, we may organize some nongovernmental service associations and societies and develop some specialized households to serve agriculture and animal husbandry. Only when peasants and herdsmen have attended to the work to serve themselves, can they effectively promote production and reduce the number of hired laborers.

**Inner Mongolia District Marks CPC Birthday**  
*SK2807104290 Hohhot NEIMENGGU RIBAO  
in Chinese 2 Jul 90 p 1*

[Excerpts] On the afternoon of 30 June, more than 1,300 officers and men from the organs under the Inner Mongolia Regional Military District and the People's Liberation Army [PLA] units ceremoniously gathered to attend a meeting to report the exemplary deeds of learning from Lei Feng and to mark the 69th birthday of the CPC.

Present at the meeting were Major General Diao Congzhou, commander of the regional military district; Major General Yang Enbo, political commissar of the district; Major General Fang Chenghai, deputy commander of the district; Major General Zhaorigetu, deputy political commissar of the district; and Senior Colonel Guo Fei, director of the logistics department. Luo Yonglin, director of the political department, chaired the meeting. The meeting opened amid the majestic "PLA martial music" at 1500. Five Communist Party members from the border and garrison units reported to the officers and men participating in the meeting their exemplary deeds of setting requirements on themselves according to the criteria on Communist Party members, studying the Lei Feng spirit, and following the paths through which Lei Feng grew up. [passage omitted]

Major General Zhaorigetu made a speech on inheriting and carrying forward the party's fine traditions. He urged that party organizations at various levels, Communist Party members, and all officers and men across the region should continue to vigorously engage in the campaign of learning from Lei Feng, to study Lei Feng's communist spirit, have firm belief in socialism, constantly strengthen the construction of party organizations at various levels and the building of the party member ranks, and make greater contributions in the struggle for safeguarding and building border areas.

**Shanxi Party Secretary Gives Lectures**

*HK2907030090 Taiyuan SHANXI RIBAO in Chinese  
1 Jul 90 p 1*

[Report by staff reporters Mu Zhemin (4476 0772 3046) and Hu Guo (5170 2654): "The Party's Fine Tradition Has Come Back: Provincial Party Secretary Li Ligong Gives Lectures to Rural Party Members on Party Knowledge"]

[Text] As the last streak of sunset faded over the western horizon, Pingchuan, located in the middle of the province, gradually returned to tranquility after a day of hustle and bustle.

After dinner people started converging from all directions on Dongguanzhen School in Qi county. Among them were old senior party member as well as young new party members who literally had just taken their oaths under the party flag. On the eve of "1 July"—the birthday of the party—these rural grass-roots party members, with enthusiasm and expectation, came to the county to attend a lecture by Provincial Party Secretary Li Ligong on party knowledge.

At 2040, 29 June, when Comrade Li Ligong arrived at the meeting hall of Dongguanzhen School as an ordinary Communist Party member, people gave him a warm welcome. This was the second time Li Ligong had given party lectures at Qi county. Before he came he had specially instructed that the lecture be held in the evening and after work, to avoid getting in the way of summer grain harvests.

During the lecture, Comrade Li Ligong talked about giving play to the advanced model role of party members and the leading functions of party branches in the context of the "Party Constitution" and the spirit of the sixth plenary session of the central authorities.

For the last few years communist ideals and faith have been receding. There used to be a popular saying "ideals, ideals—if there is profit in them then I will have ideals." As an old comrade with many years of party membership and a background of revolutionary wars, Comrade Li Ligong said in agitation: Many of the senior party members at this meeting can recall how hard and arduous the conditions were during the war years. There were no privileges to be a party member. On the contrary it carried many risks. But dynamic our party organization was then. No matter what the enemies did to try to cut connections between members and the party organization, party members went on with their work and had strong combat power. Why? Because then the party had a spiritual pillar: The purpose of becoming a party member was to overthrow the old system and build a new socialist China. To a Communist Party member, political ideals were the most important problem, and not a hazy ethereal thing. For rural party members in particular, if they did not arm themselves with Marxism-Leninism-Mao Zedong Thought and great and farsighted communist ideals and faith, it would be very

hard for them to overcome various old concepts, always persevere in dedicating themselves to party affairs and be loyal to people's interests by relying solely on simple party feeling.

Comrade Li Ligong's speech drew a strong echo from the 180 or so party members present at the meeting. Many old party members could not help remembering what happened in the 1950's. Lu Jiaer, a party member since 1958, said in agitation: "During the 1950's, party members always attended party lessons. When there was a new spirit coming down from the central authorities, we party members just went all out for it. Now the provincial party secretary has personally come here to give us grass-roots party members party lessons—the party's fine tradition has come back."

Before the lesson, Comrade Li Ligong and several old party members had held a short meeting to seek their opinion. All of the old party members unanimously requested Li Ligong to talk about the fine tradition of the party. Comrade Li Ligong said: "What are the party's fine traditions? They are arduous struggle, close ties with the masses, and wholehearted service for the people, which is also our party's basic principle. I heard that after quelling the turmoil and Beijing counterrevolutionary rebellion last year, party members of Dongguanzheng led the way in selling patriotic grain to the state, with each one selling 50 kg more of grain. Since party members set the example, the masses were all eager to sell their grain, with the result that the grain selling mission was completed within 10 days. This was very good, wasn't it? Whether rural work is difficult depends on the strength of party branches. If we have a good party branch and a batch of Communist Party members able to play an advanced and model role, party policies will be transformed into mass voluntary actions; difficulties will be overcome however serious they are, and jobs will be done however hard they are.

In recent years a number of people have benefited from reform and opening up and made some fortunes. Among these people are party members. How should the problem of the relationship between individual wealth and common wealth be handled? Comrade Li Ligong said: "A Communist Party member should the first to be alert but the last to relax." There are now in our party a number of cadres and party members who are dedicated to public affairs, take public duty before personal interests, and are selflessly devoted to party undertakings and creating wealth for the masses. In a village the masses will complain if only a few party members have made fortunes and become households enjoying ten thousand or even scores of thousands of yuan in income. Minding only his personal wealth and not caring for mass wealth—this is no Communist Party member! Because they will become divorced from the masses. Comrade Li Ligong, in earnest words and all sincerity, hoped that all the rural party members set in right the relationship between individual and common wealth, and perseveringly lead the masses on the path of creating common wealth.

During the party lesson Comrade Li Ligong, when touching on showing concern to mass livelihood and performing practical service for the masses, said: Our party's fine tradition is to think about what the masses think about, worry what they worry, be concerned about mass sufferings, and help solve practical difficulties for them. It is also an effective way to maintain close ties with the masses. The leadership of the Dongcheng Village Party Branch in Qi county has made it a practice to visit poor people every year. Every Spring and Mid-Autumn Festivals the party branch leadership will collectively visit poor people. When people are hospitalized, it will send regards. Before a villager dies, the party branch secretary will invariably visit personally and ask for the will of the dying and collective help will be offered whenever possible. Although the village remains relatively poor, party- and cadre-mass ties are very close. It seems that there is a way of maintaining ties between the poor, and another between the rich, the key being if you have the masses in your minds, and if you are the kind of person who care for the masses. Before the audience knew it two hours or so had passed. The audience sadly said goodbye to Comrade Li Ligong. Though the party lesson was over, people were still debating excitedly in groups.

It was late into the night. The cool gentle breeze banished the heat of the night. In the sky were thousands of stars. Not far away the buzzing of frogs and insects blended into a beautiful summer night symphony, and it was full of hopes on the wide stretch of grain fields.

### Northeast Region

#### Enterprises Merge in Heilongjiang's Mudanjiang

HK0108111890 Beijing RENMIN RIBAO in Chinese  
25 Jul 90 p 2

[Report by Wang Yawei (3769 7161 4850) and Wang Zengwei (3769 1073 0251): "Forty Enterprises in Heilongjiang's Mudanjiang City Take Over 51 Enterprises"]

[Text] Mudanjiang, 24 Jul (RENMIN RIBAO)—Heilongjiang's Mudanjiang City has obtained remarkable results through the rational circulation and optimum organization of various elements of production including capital, equipment, and labor force. At present, 40 enterprises in this city have taken over 51 enterprises, relocated 2,369 personnel, shifted more than 25.75 million yuan of assets, and absorbed 26 enterprises which had lost money. Some idle assets have been "restored to life" and the product mix is becoming more rational each day.

Since 1984, one fourth of Mudanjiang City's fixed assets had remained idle or half idle, and large sums of assets had become unmovable and were thus unable to function as they should have. In order to revive those equipment and assets, the city made efforts to optimize organization of the production elements among enterprises. After in-depth investigation, the city issued the

"Provisional Regulations on the Various Policies Regarding the Rational Circulation and Optimum Organization of Mudanjiang City's Elements of Production" at the beginning of the year. Moreover, it opened eight special markets for the means of production, labor affairs, personnel, real estate, and others, thus creating favorable conditions for the optimum organization of the production elements.

Various measures such as enterprise merger, one enterprise contracting with another, the establishment of conglomerates, have played important parts in bringing about the optimum organization of Mudanjiang's elements.

At the end of 1988, the city's Jiancan Machinery Building Factory took over a local steelware, woodware and furniture factory, and a plastic processing factory by shouldering a debt of 2.19 million yuan. By using the 2.1 million yuan of fixed assets and 15,000 square meters of floor area of these two factories, and by adding an appropriate number of equipment, it was able to set three machine-building production lines in operation, thus saving an investment of 3.2 million yuan.

Mudanjiang City vigorously promote balance between excess and insufficient processing capacities and equipment circulation among enterprises. Seeing the problem in the city that the spinning industry produces more than the weaving industry, and the weaving industry more than the dyeing industry, the city's Spinning and Weaving Industrial Company, being sure of the profits final products would bring profits, moved the bleaching, printing and dyeing production lines of the Zhuangdan Color Weaving Factory into another printing and dyeing factory, and sent to the printing and dyeing factory for processing long pieces of cloth products made in some factories in the city and the province so as to fully use the processing capacity of the factory. In this way, it was able to save the printing and dyeing factory, which had been losing money for several years.

### Liaoning, Shenyang Celebrate Army Day

SK0108021990 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 30 Jul 90

[Text] Liaoning Province and the Shenyang Military Region cosponsored an army-government forum to celebrate Army Day at Shenyang Youyi Guesthouse on the morning of 30 July.

Principal leading comrades of the province, the Shenyang Military Region, the air force units under the Shenyang Military Region, and the provincial military district, including Quan Shuren, Dai Suli, Wang Guangzhong, Yue Qifeng, Xu Shaofu, Sun Qi, Chen Suzhi, Zhu Jiazheng, Liu Jingsong, Song Keda, (Shi Baoyan), (Tao Shuangming), (Hong Baocun), (Dai Xuejiang), (Ai Weiren), (Wu Jiamin), (Huang Dianhong), (Liu Cunxing), (Zhang Jingyan), and (Ma Fenglin), were present at

the forum. Chen Suzhi, member of the Standing Committee of the provincial party committee and vice governor of the province, introduced the province's situation that armed forces and localities emulate and support each other and jointly build a spiritual civilization.

She said: Since the beginning of this year, our province has newly extended the contents and forms to launch the campaign of armed forces and localities emulating and supporting each other and jointly building spiritual civilizations and has started a new upsurge of the campaign of armymen and civilians learning from Lei Feng. More than 20,000 models of various types, such as those making selfless sacrifices, finding it a pleasure to help others, being ready to take up the cudgels for just causes, and not pocketing the money they pick up, emerged across the province in the first half of this year. In launching the campaign of the Army and government supporting each other, the province has established more than 27,000 service teams in helping the households of servicemen, made job arrangements for more than 29,700 family members who deserve to receive preferential treatment, and has had more than 60,000 retired armymen settle in the province.

In her speech, Chen Suzhi stated that over the past six months, the province had steadily deepened the Army-civilian campaign of jointly building civilized units. The number of various civilized units jointly built by the Army and civilians has reached more than 3,700.

During the forum, Quan Shuren, secretary of the provincial party committee, and Yue Qifeng, acting governor of the province, delivered speeches in which they, on behalf of the people throughout the province, expressed festive greetings to the commanders and fighters of the PLA [People's Liberation Army] units stationed in the province and thanks for the contributions made by the PLA units under the Shenyang Military Region in building the two civilizations. In his speech, Quan Shuren also informed the comrades of the PLA units about the province's first-half situation in the economy and other fields.

During the forum, Liu Jingsong, commander of the Shenyang Military Region, and Song Keda, political commissar of the Shenyang Military Region, also delivered speeches in which they, on behalf of the Shenyang Military Region, extended thanks for the concern, assistance, and love shown by the provincial party committee, the provincial People's Government, and the people throughout the province to the Army, which is made up of the sons of the people. They urged both the Army and government to bring their common strong points into full play in the future, to improve the province's army-government campaign of emulating and supporting each other to a new level, and to make contributions to the province's construction in various fields.

**Liaoning Export Achievements Reported**

*SK3007073690 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 27 Jul 90*

[Summary] Over the past five years since the sixth provincial party congress, Liaoning Province has successfully carried out construction of the export-oriented economy and gradually accelerated its pace of opening to the outside world.

The province's total volume of procuring export commodities in 1989 reached 11.97 billion yuan, a 3.6-fold increase over 1985. At present, the province has established an economic and trade relationship with more than 140 countries and regions in the world. Its some 2,000 products have entered international markets. The province has, to date, established more than 300 export commodity production bases, with more than 1,800 enterprises.

The province has also scored marked achievements in introducing outside capital and technologies. Since 1986, the province has signed 1,346 contracts with foreign countries on utilizing outside funds worth \$8.18 billion, of which, \$1.78 billion has been actually introduced. By the end of 1989, the province established 746 Sino-foreign joint-ventures, Sino-foreign cooperative enterprises, and foreign-owned enterprises of which, 325 have started production or begun operations. The annual volume of foreign exchange earned by these enterprises has reached \$120 million. Over the past five years, these enterprises have signed 2,351 contracts with foreign countries on importing advanced technologies and equipment for technical renovations.

Over the past five years, the province has signed 384 contracts with foreign countries on offering labor services and conducting labor cooperation worth \$300 million. The province has also received 475,000 tourists and visitors over the past five years and the accumulated income earned in this regard has reached 185 million yuan.

**Liaoning Five Year Economic Achievements Reported**

*SK2907095390 Shenyang Liaoning Provincial Service in Mandarin 0930 GMT 25 Jul 90*

[Summary] Liaoning Province has scored marked achievements in economic and social development during the Seventh 5-Year Plan period. During the 1986-1989 period, the province's investments in fixed assets reached 89.45 billion yuan, increased one time over, in relation to the Sixth 5-Year Plan period. The accumulated investments made by the state-run enterprises across the province in technical renovations reached 30.95 billion yuan, from which 13,484 items of technical renewal and renovations have been worked out and put into operation.

Since 1986, the province has imported 326 production lines and complete sets of equipment and 535 key pieces and units of equipment. At present, about one third of the key enterprises across the province have improved

their major equipment to the international advanced standards scored from the end of the 1970's to the beginning of the 1980's.

The newly-increased production capabilities cropping up in the investments in fixed assets during the 5 year period in the energy resources industries include 1.923 million kw of installed capacity of generator sets; 10.81 million tons of crude oil; 7,465 million tons of raw coal; and 1,841 km of above-110,000-volt power transmission lines. In the raw materials industries are included 4.057 million tons of cement; 2.3 million heavy crates of plate glass; 2,274 million tons of steel; 38.22 million tons of iron ore; 505,000 tons of iron; 117,000 tons of caustic soda; and 109,000 tons of soda ash. In the fields of communications, transportation, and infrastructure construction are included the 239-km section of Shen-Da highway which has been opened to traffic... the whole highway will be opened to traffic before the National Day this year. Also in this group are the Taoxian airport in Shenyang City which has been formally put into operation and involved in 30 air routes; the newly-increased volume of goods loaded or unloaded in the Dalian Harbor, which reaches 73.34 million tons; and 250,000 program-control telephone lines which have been put into operation.

**Liaoning Focuses on Managing Firearms, Explosives**

*SK2807113390 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 20 Jul 90*

[Text] On 18 July, the provincial government held a provincial telephone conference, calling on governments at various levels and departments concerned to regard the safe management of firearms, ammunition, and explosives as a key work task for stabilizing the society and ensuring safety in convening the Asian Games and celebrating the 41st anniversary of the National Day. All were asked to realistically and firmly attend to it.

On behalf of the provincial government, Chen Suzhi, vice governor of the province, made a report on the management of explosives, firearms, and ammunition, and on the existing problems in this regard; and also set forth opinions on further strengthening the management.

She emphatically pointed out: Governments at various levels should immediately organize departments concerned, persist in the principle by which responsible persons should bear responsibility for the work they take charge of; and comprehensively check and straighten out the units that produce, store, market, transport, and use explosives, firearms, and ammunition. We should further focus on checking up and straightening out the enterprises that sell, by themselves, the above-quota explosives, firearms, and ammunition and the units engaged in unlawful production and marketing of firecrackers, and on managing the demolition materials of small-sized coalpits, mines, and [words indistinct] plants. Those who illegally conceal and refuse to surrender the explosives, firearms, and ammunition should be punished strictly according to law if discovered. We

should conscientiously implement the decision on concentrating efforts on strictly dealing blows to serious criminal activities and the work arrangements as made by the central commission of political science and law; and strictly deal blows to such serious, violent criminal activities as making explosions and committing crimes with guns.

### Northwest Region

#### Gansu Secretary Addresses Army Day Forum

HK0108045490 Lanzhou Gansu Provincial Service  
in Mandarin 2300 GMT 30 Jul 90

[Text] Yesterday afternoon, the People's Liberation Army [PLA] Lanzhou Military Region, the Gansu Provincial CPC Committee, and the Gansu Provincial People's Government jointly held a forum in Lanzhou's Linmozhang Hotel to celebrate the 63d anniversary of the founding of the PLA.

The forum was attended by provincial party, government, and military leaders and presided over by Li Ziqi, secretary of the Gansu Provincial CPC Committee.

Secretary Li Ziqi and Governor Jia Zhijie delivered speeches respectively at the forum.

In their speeches, both leaders held that the PLA has made great contributions to China's revolution and construction, especially to China's reform and opening up to the outside world, in its 63-year history. The PLA troops stationed in Gansu have also made important and indelible contributions to Gansu's construction and development. All the comrades in Gansu must always give unreserved support to the PLA troops stationed in Gansu, further improve work aimed at supporting the Army and giving preferential treatment to families of revolutionary soldiers and martyrs, more extensively carry out activities of learning from Lei Feng and Li Renhu, and strive to further promote Gansu's development in all fields.

Fu Quanyou, commander of the PLA Lanzhou Military Region, and Cao Fansheng, political commissar of the PLA Lanzhou Military Region, Zheng Baosheng, political commissar of the PLA Air Force Lanzhou Unit, and Nan Zhongjie, deputy commander of the Gansu Provincial Military District, delivered speeches respectively at the forum.

In their speeches, all the military leaders expressed heartfelt thanks to the Gansu Provincial CPC Committee and the Gansu Provincial People's Government for their long-term concern for and support to the PLA troops stationed in Gansu and called on all officers and soldiers of the PLA troops stationed in Gansu to further carry out activities aimed at supporting government and cherishing people as well as activities of learning from Lei Feng, actively participate in local socialist construction, and make greater contributions to both defense and development of Gansu Province.

Wang Ke, Sun Jinghua, and Chen Tao, deputy commanders of the PLA Lanzhou Military Region, Gong Yongfeng, deputy political commissar of the PLA Lanzhou Military Region, responsible persons of headquarters, political department, and logistics department of the PLA Lanzhou Military Region, including Shi Yunxiu, Dong Zhaowen, Wang Minqing, Liang Peizhen, Fu Donghai, Li Shenyi, and others, Ge Shiying, chairman of the Gansu Provincial CPPCC Committee, Lu Kejian and Yan Haiwang, deputy secretaries of the Gansu Provincial CPC Committee, Huang Luobin and Li Dengyin, Gansu-based members of the Central Advisory Committee, Wu Jian, vice chairman of the Gansu Provincial CPC Advisory Committee, Wang Jintang, Liu Yuhan, and Han Zhengqing, members of the Standing Committee of the Gansu Provincial CPC Committee, Mu Yongji and Lu Ping, vice governors of Gansu Province, Liu Shunyao, deputy commander of the PLA Air Force Lanzhou Unit, Yang Yinchang, deputy political commissar of the PLA Air Force Lanzhou Unit, Wang Yukun, director of the Political department of the PLA Air Force Lanzhou Unit, (Sun Peiping), commander of the PLA Gansu Provincial Military District, Du Hua, deputy political commissar of the PLA Gansu Provincial Military District, Li Huolin, secretary of the Lanzhou City CPC Committee, Ke Maoshen, mayor of Lanzhou City, and others also attended yesterday's forum.

#### Shaanxi Secretary Addresses Work Conference

HK0108043090 Xian Shaanxi Provincial Service  
in Mandarin 2330 GMT 30 Jul 90

[Text] The Shaanxi Provincial Conference on United Front Work began in Xian yesterday.

Zhang Boxing, secretary of the Shaanxi Provincial CPC Committee, attended and delivered a speech at the conference.

In his speech, Comrade Zhang Boxing stressed that united front work has always been an important advantage of the CPC. Therefore, consolidating and developing the existing CPC-led united front is a long-term and strategic task.

The current conference is mainly aimed at relaying the spirit of the recently convened National Conference on United Front Work, studying the important speech made by General Secretary Jiang Zemin at the recently convened National Conference on United Front Work as well as the "Circular of the CPC Central Committee on Strengthening United Front Work," summing up Shaanxi's united front work experiences over the past few years, discussing "Opinions of the Shaanxi Provincial CPC Committee on Implementing 'Circular of the CPC Central Committee on Strengthening United Front Work'."

Yesterday's meeting was presided over by An Qiyuan, deputy secretary of the Shaanxi Provincial CPC Committee, and attended by leaders of the Shaanxi Provincial CPC Committee, the Shaanxi Provincial CPC Advisory Committee, the Shaanxi Provincial People's Congress, the Shaanxi Provincial People's Government, and the Shaanxi Provincial CPPCC Committee, including Liang Qi, Sun Kehua, Liu Gangmin, Zhou Yuguang, and others.

Song Kun, deputy director of the United Front Work Department of the CPC Central Committee, also attended yesterday's meeting.

Comrade Zhang Boxing delivered a speech entitled "Attach Great Importance to and Strengthen the CPC-led United Front Work" at yesterday's meeting.

Comrade Zhang Boxing said that Shaanxi's united front work has achieved marked successes over the past few years. Over the past few years, Shaanxi has conscientiously implemented to the letter all the CPC's united front work policies, properly settled a number of problems left over from history, redressed more than 100,000 major wrong, false, and unjust cases, strengthened political consultation with various democratic parties and democratic supervision by various democratic parties, further consolidated and strengthened relations of cooperation with various democratic parties, and greatly mobilized work enthusiasm of various democratic parties. All these facts have once again attested that united front work still remains a magic weapon of the CPC during the socialist period. Therefore, all the comrades concerned in Shaanxi must heighten their understanding of the importance, necessity, and protractedness of united front work, overcome all types of misconceptions about united front work, and further strengthen Shaanxi's united front work in a down-to-earth manner.

Comrade Zhang Boxing said that in order to further improve and strengthen Shaanxi's united front work, it is first of all necessary to conscientiously implement to the letter the No. 14 Document of the CPC Central Committee, practically strengthen work concerning various democratic parties, bring into full play the role played by various democratic parties and public figures without party affiliation in political and government affairs and democratic supervision as well, continue to develop socialist democracy, actively help various democratic parties to carry out their own organizational building, show concern for various democratic parties, help them solve problems and overcome difficulties, gradually improve their working and living conditions, implement to the letter all the CPC policies toward intellectuals, improve relations with non-CPC intellectuals, strengthen nationality and religious work, promote nationality solidarity, safeguard social stability, and appoint more non-CPC personages to leading positions at all levels.

Comrade Zhang Boxing stressed that the CPC committees at all levels in Shaanxi must attach great importance

to united front work, place united front work high on their work agendas, extensively carry out propaganda and education on united front work theories and policies, and strengthen organizational and personnel building of united front work departments at all levels in Shaanxi.

Comrade Zhang Boxing expressed the hope that the CPC committees, members, and cadres at all levels in Shaanxi will further heighten understanding, brace up, take action, and enthusiastically strengthen Shaanxi's united front work with a strong sense of urgency and a strong sense of responsibility so as to open up new vistas for Shaanxi's united front work in the foreseeable future.

### **Shaanxi Forum on Supporting Army Concludes**

*HK3007090490 Xian Shaanxi Provincial Service  
in Mandarin 2330 GMT 28 Jul 90*

[Excerpts] The Shaanxi provincial forum on the work of supporting the army and giving preferential treatment to families of revolutionary soldiers and martyrs and supporting the government and cherishing people concluded in Xian yesterday.

Liu Jinai, deputy director of the People's Liberation Army [PLA] General Political Department, delivered a speech at yesterday's closing session.

In his speech, Comrade Liu Jinai spoke highly of the work done by the Shaanxi Provincial CPC Committee and the Shaanxi Provincial People's Government in supporting the PLA building.

Comrade Liu Jinai said that over the past many years, the provincial CPC committee and the provincial people's government have guaranteed materials and goods for the troops stationed in Shaanxi, actively helped the troops develop production, solve problems, and overcome difficulties, and created a fine external environment for PLA building in Shaanxi.

Comrade Liu Jinai expressed the hope that all the troops will continue to implement to the letter the principle put forward by Comrade Deng Xiaoping of troops serving the needs of China's economic construction, actively support Shaanxi's economic construction, and further strengthen socialist spiritual civilization building. [passage omitted]

Zhang Boxing, secretary of the Shaanxi Provincial CPC Committee, delivered a speech entitled Inherit and Develop the Glorious Yanan Spirit, Further Consolidate and Develop Unity Between Army and Government and Between Army and People at yesterday's closing session.

In his speech, Comrade Zhang Boxing said that the forum was a very successful one because it greatly strengthened understanding and friendship between the PLA troops stationed in Shaanxi and the local authorities. In the new historical period characterized by reform and opening up to the outside world, it is all the more necessary to place the double support work within the

orbit of legal system. The CPC committees at all levels in Shaanxi must redouble efforts to strengthen leadership over, ideologically attach great importance to, and overcome difficulties concerning the double support work. [passage omitted]

### **Shaanxi Retail Prices Fall Slightly**

*HK3007043490 Xian Shaanxi Provincial Service in Mandarin 2300 GMT 27 Jul 90*

[Text] A report submitted by the Shaanxi Provincial Urban Social Economic Development Investigation Group disclosed that Shaanxi's retail prices gradually stabilized and fell a bit in the first half of this year.

In the first half of this year, Shaanxi's retail prices witnessed a 2.6-percent increase over the corresponding period of last year, representing a drop of 25.6 percent in the retail price increase rate compared with the corresponding period of last year, this being the lowest increase rate of Shaanxi's retail price index since 1985.

Since November of last year, Shaanxi has kept her retail price index increase rate below the two-digit level. In May and June of this year, Shaanxi's retail price index fell by 0.1 percent and 0.2 percent respectively. This situation suggested that the implementation of a variety of measures aimed at improving economic environment and rectifying economic order has achieved the desired results.

The Shaanxi Provincial Urban Social Economic Development Investigation Group has just completed a survey among 1,400 households in some 19 cities and counties of Shaanxi Province. The results of the survey show that in the first half of this year, Shaanxi's urban residents' wage income witnessed an 8-percent increase while Shaanxi's retail prices went up by only 3.1 percent. Thus the actual living standard of Shaanxi's urban residents improved in the first half of this year.

### **Report Terms Xinjiang Situation 'More Stable'**

*HK0108031190 Beijing RENMIN RIBAO in Chinese 29 Jul 90 p 1*

[Report by Zeng Kun (2582 0981): "An Atmosphere of Unity and Stability in Xinjiang"]

[Text] Urumqi, 28 Jul (JINGJI RIBAO)—Now is the season the smell of flowers and fruit is carried everywhere in Xinjiang. Chinese and foreign tourists and visitors to this place are increasing each day. This reporter learned from the preparatory office of the "Tulufan Grape Festival, the Silk Road of China in 2100" that over 1,000 foreign guests have applied to participate in the Grape Festival. Relevant people say that it is "stability" that has attracted guests from all over the world.

At present, the political and social situation in the whole Xinjiang Autonomous Region is more stable. The solidarity between the military and the government and

between the military and the people is continually improving. People of all nationalities live peacefully and happily, and the economy and various undertakings are developing successfully. The output of animal husbandry has been very good for 13 consecutive years. By the end of June, the cattle and flocks kept in pens and folds had increased by 4.1 percent over the corresponding period last year, reaching the highest level for the corresponding period in history. The gross output of summer crops has increased considerably, also reaching the highest level in history. Industrial output in the whole region has increased again, with that in June increasing by 9.8 percent over the previous month. The investment structure has been readjusted, and revenue has increased over the corresponding period last year. Finance is basically stable, and fund shortages have been alleviated. Commodity supplies on the market are abundant, and commodity prices are stable and falling slightly. The Northern Xinjiang Railway, the second large continental bridge connecting Europe and Asia, will be connected with the Soviet Union in September.

Since the beginning of the year, the party committee of the autonomous region has vigorously given priority to stability and has implemented this principle in grass-roots units at the county, township, and village levels. Since the beginning of the year, leading comrades of the party committee, government, and military of the autonomous region have shared responsibility in carrying out studies in pastoral areas, industrial and mining areas, universities, and professional colleges. They could feel strongly the fact that due to the weakening of ideological and political work over the past few years, religion had gone seriously uncontrolled and ideological culture had lost ground in rural areas. And they saw that some grass-roots party committees and grass-roots organizations of state power were paralyzed or nearly paralyzed. With the above general situation in mind, the autonomous regional party committee sent strong work teams to typical counties and townships to analyze typical cases, thus providing a foundation for policy decisions. Beginning with the upper-stratum hierarchy, they formulated a series of documents, including "Opinions on Further Strengthening Religious Work," "Opinions on Further Strengthening the State Power of Rural Grass-Roots Organizations in the Autonomous Region," and "Opinions on Strengthening Rural Ideological and Cultural Work."

They have also held activities to propagate the need to safeguard nationality solidarity and the unification of the motherland and to oppose national separatism. They have created exemplary nationality solidarity units and military-people solidarity units. Since the beginning of this year, eight counties and cities and some production and construction corps and agricultural and pastoral corps have been named exemplary nationality solidarity units and military-people solidarity units. The party committee of the Xinjiang Military District has made it a major task for the troops stationed in minority nationality areas to maintain nationality solidarity during the

peaceful period. In recent years, they have contributed 1 million person-times to aid 180 key construction projects in border areas and to run over 410 public welfare enterprises. They have also helped in 1,300 disasters and calamities. They have sent over 1,000 Lei Feng study groups to serve people of various nationalities in rural areas and pastoral areas. Thirteen counties and cities jointly built by the military and the people have become exemplary nationality solidarity and military-people solidarity counties and cities. A new and unprecedented atmosphere of solidarity exists between the military and the government and between the military and the people.

### **Commission Appoints Xinjiang Military Leaders**

*OW3107214290 Urumqi XINJIANG RIBAO in Chinese  
24 Jun 90 p 1*

[Dispatch by XINJIANG RIBAO reporter You Chengzhang (3266 2052 4545) and correspondent Du Xianzhou (2629 3759 3166) stationed in the Armed Forces]

[Text] The Xinjiang Military District held a general meeting of cadres on 19 June, calling on Army units to recognize fully the responsibility placed on their shoulders and make still greater contributions to defending the motherland's frontier defense security and safeguarding Xinjiang's long-term stability and development.

The meeting was officiated by Comrade Tang Guangcai.

Fu Quanyou, commander of the Lanzhou Military Region, first read an order, signed by Jiang Zemin, chairman of the Central Military Commission, on the appointment of new leading comrades of the Xinjiang Military District. Members of the newly readjusted leading body of the Xinjiang Military District are as follows: Gao Huanchang is the commander; Tang Guangcai is the political commissar; and Li Zhengzhong [2621 2973 1813], Duan Changjin, Fu Bingyue [0265 4426 6460], Ulataiyefu, Zhang Mingru [1728 2494 0320], Mamituofu [7456 4717 2094 1133], Wang Enqing [3769 1869 1987], Pan Zhaomin [3382 0340 3046], and Wang Qian are the other members of the leading body.

Then, commander Fu Quanyou spoke. Fully affirming the performance of the Xinjiang Military District, he pointed out: The units of the Xinjiang Military District are troops which have a glorious revolutionary tradition, and which have performed outstanding military exploits during the years of war and in the struggle to prevent domestic trouble and foreign peril after the founding of the country. They are troops with a firm political conviction, good training, concrete style, and relatively strong fighting capacity, and they can endure hardships, engage in combat, and do a good job in dealing with the masses. He called on the units of the Xinjiang Military District to raise the standards of their combat effectiveness, concentrate efforts on military training and regularization, and go all out to improve the troops' military and political quality. It is necessary to strengthen further the unity between the Army and the government, between militarymen and civilians, and among all nationalities, and take a clear-cut stand against separatism and infiltration. It is also necessary to hold aloft the banner of unity in building up leading bodies at all levels and in making them strong cores of leadership. Efforts should be made to perform resolutely the functions of the People's Army, and ensure a good training in war preparedness and readiness to deal with sudden incidents. Concrete efforts should be made to carry out political construction and grassroots construction for enhancing the combat effectiveness of troops.

In his speech, commander Gao Huanchang especially discussed four issues in the light of the current work of the military district. He said: Leading bodies at all levels should study further the series of instructions by the central authorities and the military commission on maintaining stability and achieving unity in thinking on the basis of the principles laid down by the military commission. All units of the military district should strive to perform meritorious service in consolidating national defense and ensuring stability in the frontier. It is necessary to strengthen further the unity inside and outside the army so that safeguarding unity between militarymen and civilians and among all nationalities can become the order of the day in the army. It is also necessary relentlessly to carry out grassroots construction and make determined efforts to overcome the troops' shortcomings to raise Army building to a new height.

**U.S., Budget Blamed for Diplomatic Setback**

*OW0108105490 Taipei CHUNG YANG JIH PAO  
in Chinese 23 Jul 90 p 1*

[Text] With sadness, Foreign Minister Frederick Chien criticized the United States yesterday. He said that the United States "started it all" by refusing to sell missiles to Saudi Arabia, thus forcing the latter to turn to Communist China.

Frederick Chien said that the expression "the United States started it all" may sound too harsh. However, the United States refusal to sell missiles and F-16s to Saudi Arabia created the opportunity for Communist China and caused Saudi Arabia turn toward Communist China.

After the outbreak of the Iran-Iraq War and the escalation of tension in the Gulf areas, Saudi tankers were attacked by Iranian war planes. In addition, Iran under Khomeini's regime exported the Islamic revolution. At that time, Saudi Arabia urgently needed to buy medium and long range missiles for its national defense and to deter Iran's aggression. But Britain, the United States and other Western countries refused to sell missiles to Saudi Arabia because of Israel or because of other international factors. Through Prince Bandar, the Saudi ambassador to the United States, Communist China in 1988 expressed to Saudi Arabia its willingness to sell them East Wind missiles which have a range of 3,500 kilometers in exchange for the establishment of diplomatic relations with Saudi Arabia. At that time, even though Saudi Arabia decided to buy missiles from Communist China, it still rejected Communist China's request to establish diplomatic relations; instead, they agreed only to establish a commercial relationship. Thus, a memorandum of exchange setting up of trade representatives was signed in November 1988. It has since been learned that at that time Communist China and Saudi Arabia reached an understanding on establishing diplomatic relations within two years' time.

Frederick Chien pointed out: Some people asked why our country did not sell missiles to Saudi Arabia, thus letting Communist China take the opportunity. Frederick Chien said: We did not say we would not sell missiles. The fact is that the missiles we make are for our own use only and not for export. In addition, our domestically-made Hsiung Feng missiles are short-range missiles, which did not meet Saudi Arabia's requirement for medium- and long-range missiles.

Frederick Chien also pointed out that the diplomatic budget of our country for the whole year is about 10 billion New Taiwan Dollars. However, after striking two arms and satellite deals recently, Communist China gave nearly 20 billion New Taiwan Dollars in the amount of rebates to Saudi Arabia. Apparently, Communist China is the side which conducts "money politics."

Frederick Chien revealed that two years ago Saudi Arabia bought 3.5 billion dollars worth of East Wind missiles from Communist China. Soon after the missile

sale, Communist China launched satellites for Saudi Arabia worth 3.1 billion dollars. The two deals totaled 6.6 billion dollars. Communist China paid out 10 percent of the rebate, that is, 660 million dollars, to Saudi Arabia; then Communist China reimbursed Saudi Arabia 50 million dollars. The rebate and reimbursement amounted to 710 million dollars, which equals nearly 20 billion New Taiwan Dollars.

Frederick Chien said the rebates and reimbursement for the two deals with Saudi Arabia are twice the amount of our country's yearly diplomacy budget. It is obviously unfair that our country should have been blamed for conducting "sucker's diplomacy."

Frederick Chien held that as a totalitarian country, Communist China's actions are not supervised by public opinions. Its hands are free when conducting diplomacy. But in our country, when it comes to making use of the diplomatic budget, our hands and feet are tied and we are subject to considerable restrictions.

**President Li Receives ROK Construction Minister**

*OW0108045690 Taipei CNA in English 1515 GMT  
31 Jul 90*

[Text] Taipei, July 31 (CNA)—President Li Teng-hui received South Korean Construction Minister Kwon Yong-kak at the Presidential Office Tuesday and exchanged views with him on ways to strengthen cooperative relations between the Republic of China and South Korea.

During the meeting, President Li said that the long-standing relations between the two countries had been cordial and both countries should treasure such a relationship.

The collapse of communism could be foreseeable before the end of the 20th century, Li said. He hoped cooperative relations between the two countries would be further enhanced so both countries could play an important role in the international community.

Minister Kwon conveyed South Korea President No Tae-u's regards to President Li and said that friendly relations between the two nations would not change.

**Economics Minister on Investment in Mainland**

*OW0108043890 Taipei CNA in English 1542 GMT  
31 Jul 90*

[Text] Taipei, July 31 (CNA)—The Government of the Republic of China, realizing the importance of trade and economic exchanges with mainland China, will loosen trade but restrict investment ties with the mainland. Economics Minister Vincent Siew said Tuesday.

Siew told a group of leaders of small and medium-sized businessmen that after careful study, his ministry had decided to gradually relax restraints on trade with the mainland.

The ministry now permits 152 agricultural and industrial raw materials to be imported from the mainland, and products that do not threaten national security and local economic development are allowed to be exported there.

At a seminar sponsored by the Republic of China Business Managers Association, Siew said the Government in principle hoped that the business community would not invest in mainland China.

The Government would tighten its policy on investment on the other side of the Taiwan Straits because it could hollow out local industries, Siew noted.

#### Cabinet Abolishes Rewards for Mainland Defectors

*OW3107050890 Taipei International Service  
in English 0200 GMT 27 Jul 90*

[Text] The cabinet on Thursday passed a bill abolishing cash and gold rewards for defectors from mainland China, which are listed in the temporary provision of the Constitution. As the article has now been abolished, the cabinet sent the bill to the Legislative Yuan to be legislated. The Defense Ministry said: The [word indistinct] article governing cash and gold rewards for mainland defectors has been in existence for 44 years. However, as the government plans to soon abolish all

temporary provisions to the Constitution, there is already no need for this specific article.

#### Pacific Council Delegation Leaves for Malaysia

*OW0108044790 Taipei CNA in English 1537 GMT  
31 Jul 90*

[Text] Taipei, July 31 (CNA)—Director General Sheu Kesheng of the Board of Foreign Trade left for Kuala Lumpur Tuesday at the head of a Republic of China [ROC] delegation to attend the fourth trade policy seminar of the Pacific Economic Cooperation Council. [PECC]

Sheu said that during the three-day seminar, to begin on Thursday, he would seek the support of other PECC member countries for the Republic of China's bid to become a contracting party to the General Agreement on Tariffs and Trade. [GATT]

Since most PECC members participating in the Kuala Lumpur seminar are also GATT members, they would center their discussion on the Uruguay Round of trade talks under GATT, the ranking trade official said. The ROC formally applied to join the GATT under the name of the "Taiwan: Penghu, Kinmen, and Matsu Customs Territory" early this year.

## Hong Kong

### Visits to China by Top Three Officials Planned

HK0108032590 Hong Kong SOUTH CHINA MORNING POST in English 1 Aug 90 p 1

[By Fanny Wong]

[Text] Top level contact between Hong Kong and China will be stepped up when the territory's three most senior officials visit the mainland later this year.

Plans have been tentatively set for the Governor, Sir David Wilson, the Chief Secretary, Sir David Ford, and the Financial Secretary, Sir Piers Jacobs, to pay separate visits to key Chinese cities, including Beijing, before the end of the year.

This will be the first time that the three top Hong Kong officials will have visited China within the span of five months, signifying the urgency the Government attaches to better Sino-Hong Kong co-operation.

The visits are part of the Hong Kong Government's initiative to strengthen ties with China, following more than a year of sour Sino-Hong Kong relations prompted by the Tiananmen Square military crackdown last year.

Officials have yet to finalise the dates for the trips with China, although it is understood the Chinese side has already been informed of the Hong Kong Government's intention. According to the Government's present plan, only the Governor will go to the Chinese capital.

His right-hand men, Sir David Ford and Sir Piers, are to visit major Chinese cities in the coastal provinces including Jiangsu, Guangxi and Guangdong to increase trade with Hong Kong.

One of them is likely to pay a return visit to Shanghai, whose mayor, Mr Zhu Rongji, earlier came to Hong Kong on a business trip.

Mr Zhu, the most senior Chinese official to call on the territory since June 4 last year, attended a reception for him hosted by Sir Piers as Acting Chief Secretary.

The Governor's Beijing trip is likely to take place in either November or December to pave the way for the first China visit by the British Foreign Secretary, Mr Douglas Hurd, early next year.

Before that, the Governor will visit Europe in mid-October after he delivers his annual policy address to the Legislative Council on October 10.

Sir David will tour Belgium, Italy and France during his week-long stay in Western Europe as part of the campaign to polish Hong Kong's image overseas.

Despite the Tiananmen Square massacre, lower working-level contact between the two sides has been maintained.

This year Hong Kong officials have made about 60 trips to the mainland to discuss various subjects, including

transport, laws, immigration, trade, police, water supplies, meteorology and customs and excise.

The Government, however, sees a need to bolster top-level dialogue with China in addition to these frequent contacts at the working level.

The Governor's last visit to Beijing was in January when he met Chinese officials to map out the territory's future political development.

The former British Foreign Minister, Mr Francis Maude's, visit to China last week was instrumental in facilitating the Hong Kong officials' upcoming trips.

Mr Maude was told by his Chinese hosts that Beijing agreed to step up co-operation with the British and Hong Kong governments and was willing to resort to discussions in private to settle differences affecting the territory.

Meanwhile, the Government hopes mainland officials, especially those from neighbouring Guangdong province, will be able to visit Hong Kong for first-hand experience of the territory.

Mr Maude extended an invitation to Chinese Vice-Foreign Minister, Mr Tian Zengpei to visit Hong Kong.

Through the senior Executive Councillor, Lady Dunn, who led a Hong Kong Trade Development Council delegation to Guangzhou last week, the Governor has also invited the Guangdong Governor, Mr Ye Xuanping, to come to Hong Kong.

Mr John Chan Cho-chak, Secretary for Trade and Industry, yesterday also extended an invitation to Shenzhen mayor Mr Zheng Liangyu to visit the territory later this year.

### Renewed Opposition to UK Nationality Scheme

HK0108104290 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0632 GMT 31 Jul 90 Text

[Commentary by reporter Tian Ye (3944 6851): "The Crucial Issue of 'Right of Abode' Is To Enable British People To Govern Hong Kong"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 31 Jul (ZHONGGUO TONGXUN SHE)—China's Ministry of Foreign Affairs has made a solemn and reasonable response to "The British Nationality (Hong Kong) Act 1990" passed by the British Parliament.

What is different from the past is that, aside from reiterating its principled stand on the issue of the right of abode, China has further put forward a "three nos" policy as its first reaction. First, China will not recognize the "British citizenship" granted to Chinese citizens in Hong Kong by the British side under the "Right of Abode Ordinance." Second, Britain must not provide consular protection to these Chinese citizens within the Hong Kong Special Administrative Region [SAR] and other parts of China. Third, these Chinese citizens are

not allowed to use "British citizens' passports" for entry into, and exit from the Hong Kong SAR and other parts of China.

This "three nos" policy is what the Chinese side "cannot but" put forward.

The diplomatic trial of strength between China and Britain on the issue of the "right of abode" is in essence a matter of principle of whether the Hong Kong SAR will actually be "governed by British people" or "governed by Hong Kong people." Britain selectively grants some Hong Kong people the "right of abode" in order to let them pledge their loyalty to Britain, continue to stay in Hong Kong, and participate in its administration. This is what Britain was unable to get during its negotiations with China on the Hong Kong issue, and it is of course unacceptable to the Chinese side. That is why the Chinese Foreign Ministry says that "the British side is bent on looking for 'beneficiaries' in the key posts in Hong Kong," which means that what Britain intends to do is to implement, by granting the "right of abode," a plan of "British people governing Hong Kong." But the Chinese side has avoided using such sensitive words lest Britain lose face.

China's consistently clear-cut attitude towards the "right of abode" is also clear to the British side. Previously, China has repeatedly declared that if Britain goes ahead with the "right of abode," it will be responsible for the consequences, and China will reserve the right to undertake appropriate measures. Now that Britain is bent on unilaterally changing the nationality of some Chinese citizens in Hong Kong, China will naturally take appropriate reactionary measures. Judging from the Sino-British diplomatic relations, or the standpoint of maintaining prosperity and stability in Hong Kong, China has reacted on just grounds, to our advantage, and with restraint. China has never been vague in its attitude toward matters of principle. This is China's consistent style.

After ruling Hong Kong for nearly a hundred years through unequal treaties, Britain should, to be wise, strictly abide by the spirit and essence of the Sino-British joint declaration upon its withdrawal; and cooperate in a friendly way with China so as to maintain the prosperity and the stability of Hong Kong. During the transition period, both the Chinese and British sides should strengthen mutual consultations and refrain from doing anything detrimental to the smooth handover of sovereignty. "Do not do to others what you do not want to be done to you." By putting itself in China's position, Britain can try to imagine what it would feel like when unreasonably treated.

China and Britain once enjoyed a sound relationship of consultation and cooperation on the Hong Kong issue. To this day, China still reiterates its hope that the British side can set store by the relations between the two countries and the maintenance of prosperity and stability in Hong Kong; and make efforts to restore and develop this kind of sound cooperative relations. Wouldn't it be better for Britain to bring itself to a halt

and calmly talk with the Chinese side about ways of dealing with the problems arising from this issue?

### **Journalists Protest PRC Ban on Reporters**

*HK0108035190 Hong Kong HONGKONG STANDARD  
in English 1 Aug 90 p 3*

[By Fan Cheuk-wan]

[Text] Hong Kong journalist groups have protested over a ban imposed by Beijing on reporters working for Hong Kong-based foreign news organisations.

Yesterday two groups jointly petitioned the Hong Kong branch of the XINHUA News Agency in protest against the practice.

The Foreign Correspondents' Club [FCC] and the Hong Kong Journalists Association asked XINHUA branch director Zhou Nan to lift the ban and clarify the Chinese government's policy.

In their petition, the two groups noted journalists serving Hong Kong-based foreign media have been denied entry to China since May.

"Such a policy by your government runs counter to standard international practice," the letter said.

"It is also discriminatory: journalists working for Hong Kong newspapers and electronic media, as well as overseas publications, have been allowed to enter China."

The letter said only certain reporters seem to have been singled out.

"At a time when China is promoting various parts of the country, especially Shanghai, to foreign investors, surely such a ban is counter-productive," it said.

An official from the foreign affairs department of the local XINHUA office said the directive to refuse entry applications from Hong Kong-based foreign journalists was issued by the Foreign Affairs Ministry in Beijing in May.

"The job of the Hong Kong XINHUA is just to refer the applications to the Foreign Affairs Ministry. We don't have the final power to approve or ban the entry of foreign journalists," he said.

"We are still waiting for the official notification from Beijing about when we can start receiving applications from the foreign journalists in Hong Kong again."

The official emphasised the ban was only a temporary measure.

But he declined to explain why the Foreign Affairs ministry had ordered it.

Paul Bayfield, president of the Foreign Correspondents' Club, said several club members had complained about being denied a visa.

He felt the practice was inconsistent and discriminatory since other Hong Kong journalists serving with local media have been allowed to enter the mainland to cover news events.

Mr Bayfield said the FCC would request a meeting with XINHUA officials on the issue, although would first wait for an official response.

He said it was hard to fathom the reasons for the ban.

But he understood from foreign correspondents in China that the Foreign Affairs Ministry in Beijing had compiled a black-list of journalists who had written news reports about last year's Tiananmen Incident that the authorities were unhappy with.

Said another journalist: "It's rather strange for China to ban journalists working for Hong Kong-based foreign media while many of them are just financial and China trade reporters who seldom touch on political news."

#### Visitors Increase in First Six Months

*HK2807015290 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 28 Jul 90 p 3*

[By Giselle Militante]

[Text] The number of visitors to the territory increased by 0.8 percent in the first half of the year, compared with the same period last year, to 2.82 million.

A total of 459,454 visitors arrived in June—an increase of 19.2 percent on the same month last year. This figure was largely responsible for reversing the downward trend in the number of visitors seen during the first five months of the year.

The June increase came as no surprise to tourist industry analysts given the political turmoil on the mainland in June last year when visitor arrivals totalled only 385,000.

A further increase is anticipated this month.

Apart from June, only February has seen an increase in visitors—at 11.2 percent—so far this year.

Arrivals fell by 4.5 percent in January, 6.4 percent in March, 1.6 percent in April and 6.3 percent in May.

A spokesman for the Hong Kong Tourist Association said the main increase last month was in short-haul arrivals.

"It takes time for the long haul to fully recover, but we expect the short haul to continue to perform well," he said, adding that the association was sticking to its forecast of eight percent growth for the year.

Among Southeast Asian countries, Indonesia recorded the highest growth in the number of visitors during the first half of the year at 31.4 percent. It was followed by Malaysia at 23.1 percent and Thailand at 20.3 percent.

#### Macao

#### Guangxi City Holds First Trade Fair in Macao

*OW3107192690 Beijing XINHUA in English 1354  
GMT 31 Jul 90*

[Text] Macao, July 31 (XINHUA)—Beihai, a coastal city in south China's Guangxi Zhuang Autonomous Region, held its first trade fair in Macao today.

Nine import and export corporations of the city displayed samples of commodities such as cereals, edible oil, local produce, fireworks, arts and crafts, mineral and aquatic products.

Beihai was designated to be one of the 14 major Chinese coastal cities which pioneered in the practice of opening to the outside world.

The city has developed trade relations with more than 1,000 firms in overseas countries as well as in Hong Kong and Macao, according to an organizing official of the trade fair. The city's annual export value has now reached 87 million U.S. dollars, he said.

He said that through the display of samples, they wished to introduce more varied commodities and business scopes to firms in Macao, and have a wider range of cooperation with them.

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**DATE FILMED**

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